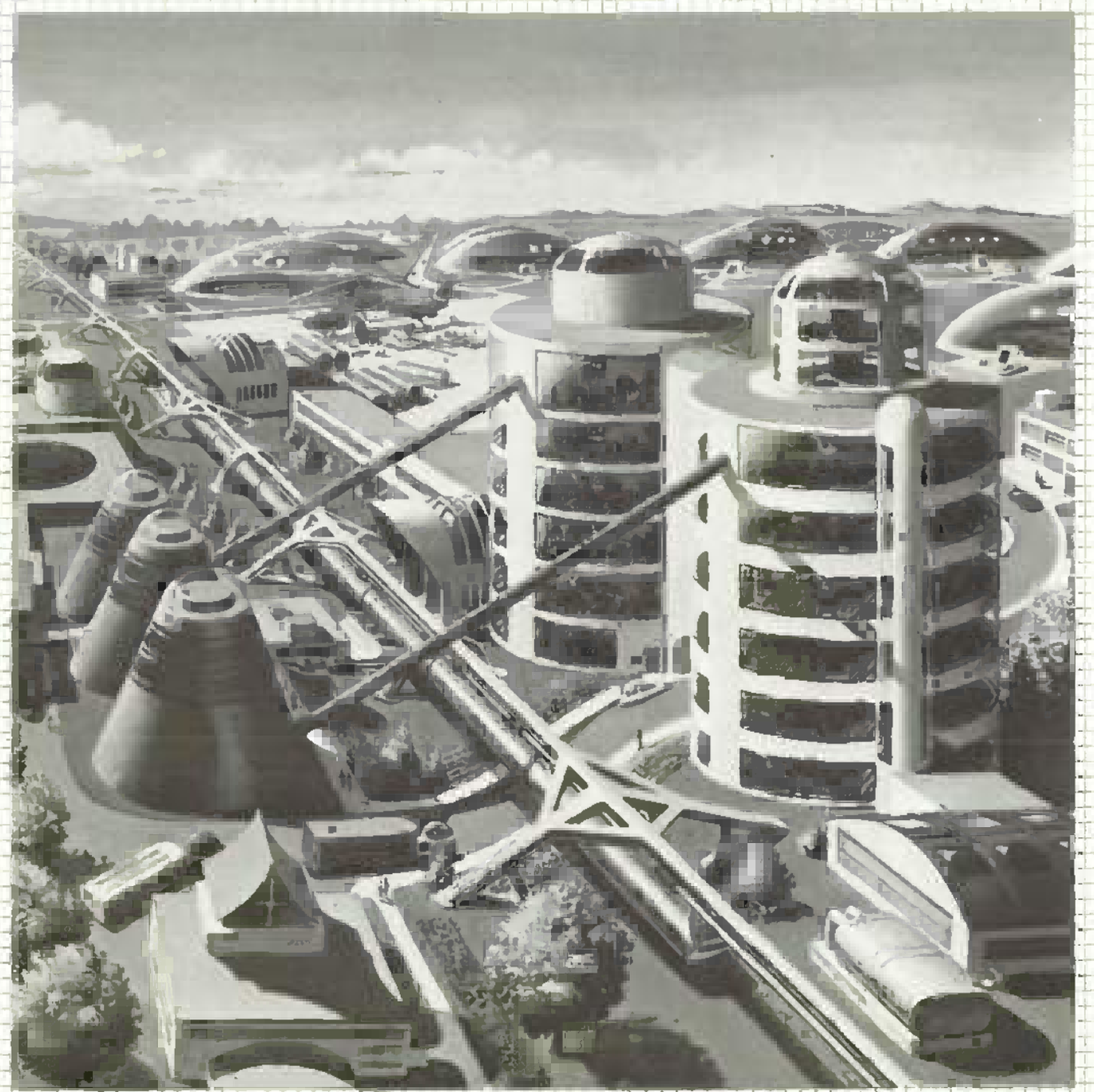
AGRICULTURAL OUTLOOK

UNITED STATES DEPARTMENT OF AGRICULTURE • ECONOMIC RESEARCH SERVICE • AO-12



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On the cover: An advanced farm of the future may have high-rise livestock feeding houses with connected feed mills. (Illustration © National Geographic Society) See page 17 for further details.

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CROP PRICES EDGY TILL PRODUCTION PICTURE CLEARS

The close supply-demand balance projected for major commodities, together with periods of spotty weather, will keep prices sensitive until worldwide crop prospects become clearer this summer. Current prospects point to another large output of major crops this year, if the weather cooperates. Output of livestock and livestock products is also increasing with sizable gains underway for fed beef, pork, poultry, and milk. On the domestic demand side, expanding consumer buying power and a growing market are helping absorb these larger supplies at prices averaging above 1975. Also, foreign demand prospects continue strong with world stocks at low levels, most countries accelerating their economic activity, and drought problems again in Europe and the USSR. Although some weakening in crop prices may develop later this year if world crops improve, expansion in the domestic feeding of livestock and strong consumer demand will help to cushion that impact. Big supplies and strong markets promise another good income year for farmers as well as significant easing of the rate of increase of retail food prices.

The Key Element—Weather

Favorable weather helped U.S. farmers get an early start this year, and crops were planted much earlier than usual. But it has been a mixed bag weather-wise since. A cool May generally slowed germination and plant growth. By mid-June both temperature and moisture conditions improved crop prospects enough to at least temporarily take some of the steam out of market prices of grains and soybeans. However, it is difficult to assess these impacts, many of them local in nature, on overall crop output until the first estimates of this year's crops are available—July 12 for most major crops, except for cotton and soybeans which will be released on August 12. Early season projections point to continued large supplies of wheat, feed grains, rice, and soybeans in 1976/77. Larger carryover stocks will help offset lower prospective output of rice, winter wheat, and soybeans.

Crop Markets Strengthen

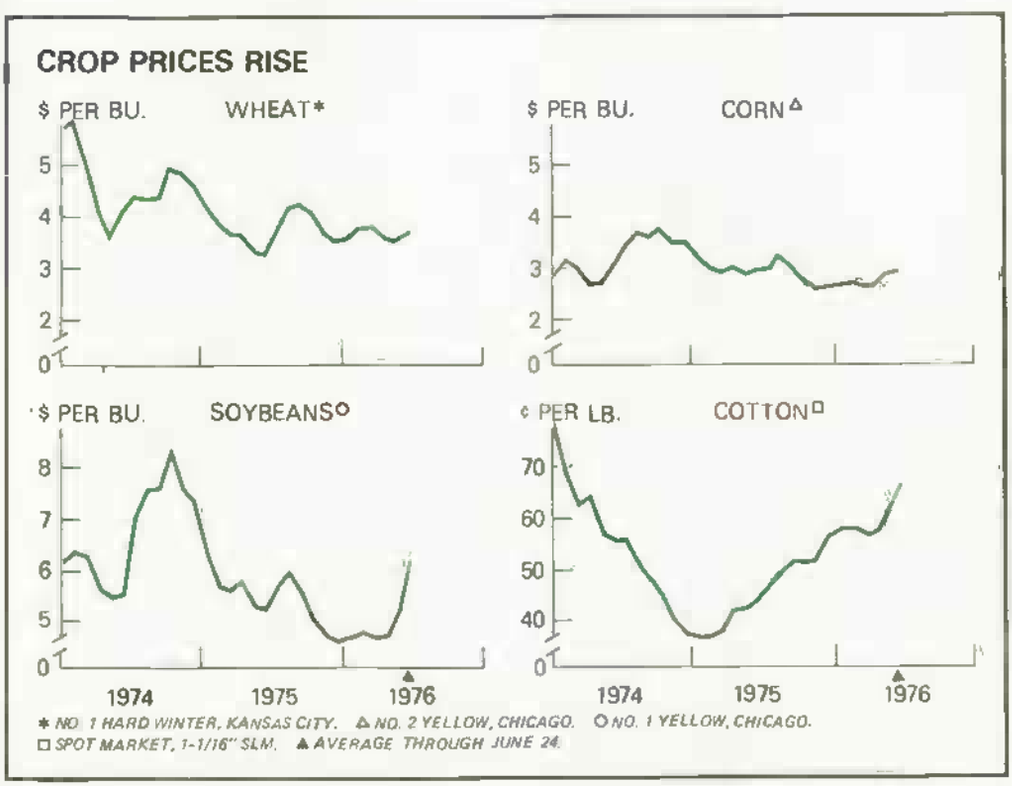
A major development in recent weeks has been the rise and subsequent fluctuation in prices for grains and soybeans. Market prices of wheat rose about 50 cents a bushel from early May to nearly $4.00 (No. 1 HRW at Kansas City) by mid-June, while corn rose around 25 cents a bushel during this period to over $3.00 (No. 2 yellow at Chicago). Soybeans registered the largest boost going up almost $2 a bushel to a peak of $6.70 (No. 1 yellow at Chicago) by mid-June. Prices of these commodities have weakened from their peaks reached in mid-June, but they continue to fluctuate around a relatively high level.

Reasons for this runup in prices include stronger than anticipated demand as well as weather developments and uncertainty surrounding the size of this year's crops both in the United States and abroad.

Markets will likely continue edgy in coming weeks, as usual at this time of year, until a clearer picture of this year's crops is available. Crop supplies, declining seasonally, are now relatively tight for major crops. Carryover stocks of corn this fall are likely to continue near the relatively small stocks of a year ago, although wheat and soybean stocks will likely end the 1975/76 marketing year higher.

Expanding output of livestock and products is providing a market for sharply increased quantities of feed grains and soybean meal. Feed grains used for feeding rose a fifth over a year earlier in January-May 1976 while domestic soybean meal use was up a fourth through April.

U.S. exports of grains and soybeans have been heavy throughout this marketing year. Sales of wheat and corn benefited considerably from larger shipments to the USSR. Improving economic conditions in major industrial countries are stepping up demand for high protein foods—meat, milk, and eggs—produced with grain and protein meals. Exports of wheat, corn, and soybeans in total will be up almost a third in 1975/76 from year-ago levels, and all



are expected to reach record highs. Although the 1976 Brazilian soybean crop is up about a fifth, delays in moving the crop early in the season tended to bolster U.S. soybean exports.

If world crops increase as expected, U.S. grain exports may slip some in 1976/77 from the record highs reached in 1975/76. Early season conditions pointed to a 1976/77 world grain harvest over 8 percent above 1975/76. However, weather remains the critical variable. The Soviet grain crop is now forecast at 190 million metric tons for 1976, up from 140 million last year, but somewhat under this year's planned 205 million ton level. Their winter wheat crop will be considerably below average due to dry conditions at seeding last fall and an above-normal winterkill this past winter. More wheat was seeded to the larger spring crop to offset the winter wheat shortfall. To date, weather during spring seeding has been good, but with below-normal sub-soil moisture in some USSR grain areas, weather during the growing season will be the important determinant of final output. Western Europe's grain crop also has been revised downward, from 142 to 137 million tons, which is still 5 million above last year. Carryin grain stocks in countries outside the United States for 1976/77 will be very low. Consequently, any significant change in world grain production likely would be quickly reflected in U.S. exports and domestic grain prices.

If this year's crop output comes in near currently projected levels, grain prices would likely weaken in the months ahead. However, prices will remain edgy and sensitive to crop developments both here and abroad.

The cotton supply-demand balance continues to tighten as increased sales are coming in the face of diminishing supplies. Export demand has now picked up, accompanying the increases over a year ago in U.S. mill consumption. Growth in economic activity worldwide has bolstered clothing sales and fiber use. Domestic consumer expenditures for clothing and shoes came to a quarterly record of almost $74 billion in January-March, up a tenth from a year earlier. The obvious result of the tightening situation: higher prices. Spot prices of cotton reached 75 cents a pound in mid-June, up a fifth from last month and 75 percent above year-earlier quotes. This tight supply-demand situation is likely to carry into 1976/77, causing a moderation in cotton consumption as manufacturers switch to cheaper manmade fibers.

Livestock Output Increasing

Continued expansion in the output of most livestock and livestock products appears likely for the second half of 1976 based on actions farmers already have taken or planned. Larger feed supplies and generally favorable feeding margins earlier this year should encourage continued big gains in fed cattle marketings, a stepup in farrowings, increased broiler chick placements, and more feeding of concentrates to dairy cows. The pace of the output gain later on this year will depend to a large extent on feed prices, weather, and economic developments.

Except for pork, first half livestock output was materially above year-earlier levels. Beef and broilers were both up around a tenth, and more milk and eggs were produced. However, meat production is expected to continue seasonally lower this summer as marketings of cattle and hogs are down from the first quarter.

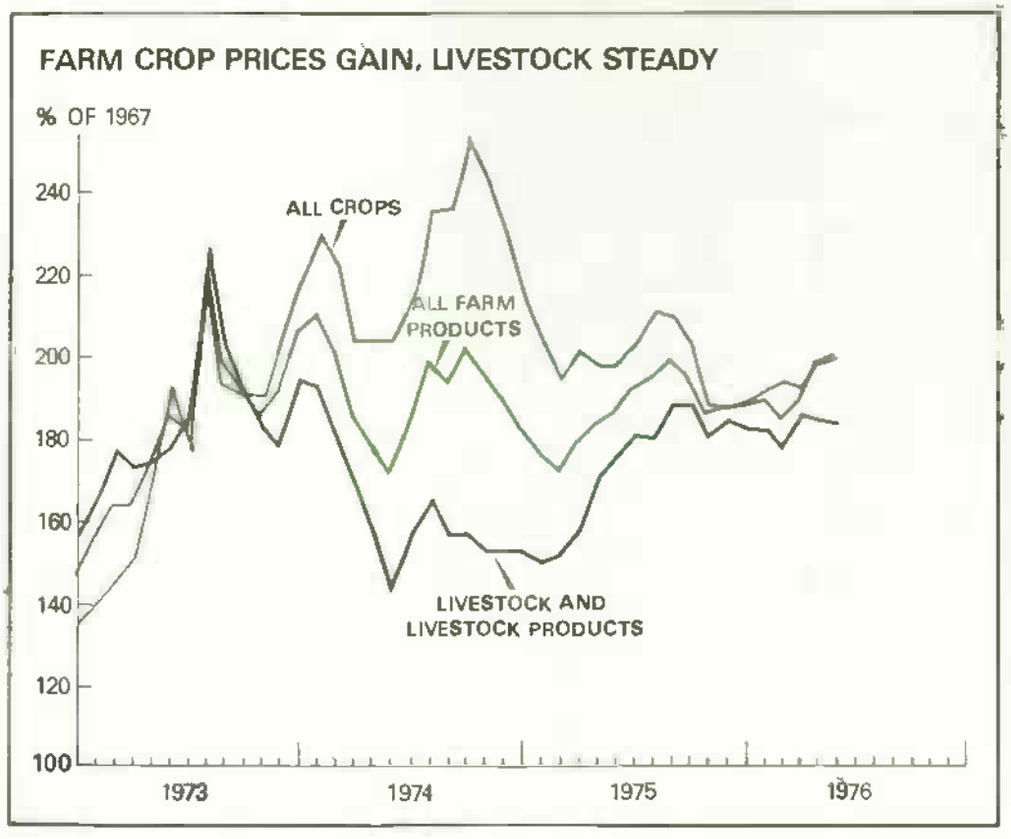
Summer weather will also have a bearing on the cattle market for the rest of 1976. Fed cattle marketings are expected to run 20 to 25 percent above a year ago in July-December 1976. But with good pasture and range conditions, declining slaughter of grass-fed beef may be more than offsetting, reducing total cattle slaughter and limiting beef output in July-December to a rate about the same as a year ago. As a result, beef production for all of 1976 could be up around 3 to 5 percent from 1975's record level.

Pork production, although seasonally smaller this summer, continues to expand with gains of around 15 percent over a year earlier likely in the second half. Producers are planning to increase farrowings by 17 percent in June-November, which will mean continued expansion in slaughter hogs on into early 1977. Pigs born this fall will be ready for market next spring.

Margins continue favorable to broiler producers, and broiler chick placements are running more than a tenth above a year ago. Broiler output will continue to exceed year-earlier levels through the second half—totaling around a tenth larger for all of 1976. Milk production so far this year is running about 3 percent above a year earlier as favorable milk-feed price relationships have encouraged larger grain and concentrate feeding.

It now appears that combined output of livestock and livestock products in 1976 may total around 4 percent above last year, if large crops develop and general demand expansion occurs. So far, recent increases in grain and soybean prices have had limited impact on livestock output. However, May placements of cattle on feed were the smallest this year in the seven reporting States. Cattle feeders apparently experienced losses in recent months. This trend may hold down fed marketings in late summer and fall. As producers formulate their feeding and production plans for this fall and winter, feed crops and prices will be a major determinant.

Despite expanding output of livestock and livestock products, growing demand has helped maintain prices. First half prices of livestock and livestock products at the farm averaged almost 15 percent above a year earlier. Most prices



have been fairly stable in recent weeks, with fed cattle prices in the $39-$42 per 100 pound range since mid-May. With seasonal declines in meat output, cattle prices may rise into the upper $40's by midsummer. Although declining during the past month, cow prices remain well above last year's level. Feeder cattle prices are about a fifth higher than last year at this time. Hog prices pushed up to $51-$52 in mid-June with some seasonal decline in slaughter.

Livestock prices may weaken later in the year if beef and pork production rises seasonally as expected. However, milk prices will be rising seasonally in the second half, although the rise may not match last year's sharp jump.

Farm prices of all livestock items may average about a tenth above a year ago for all of 1976. However, both price and output patterns will depend to a considerable extent on U.S. crops and foreign demand developments.

May Retail Food Prices Edge Up

Retail food prices rose about 0.4 percent in May, the second successive monthly rise after 2 months of decline earlier this year. May prices were still slightly below prices at the start of the year. Moreover, food prices for the second quarter as a whole may average only slightly above the first quarter.

The May rise at retail was due to an increase in beef prices along with higher prices for pork and other red meats, fishery products, coffee, and away-from-home meals and snacks. Prices declined for poultry, eggs, fresh vegetables, and processed fruits and vegetables.

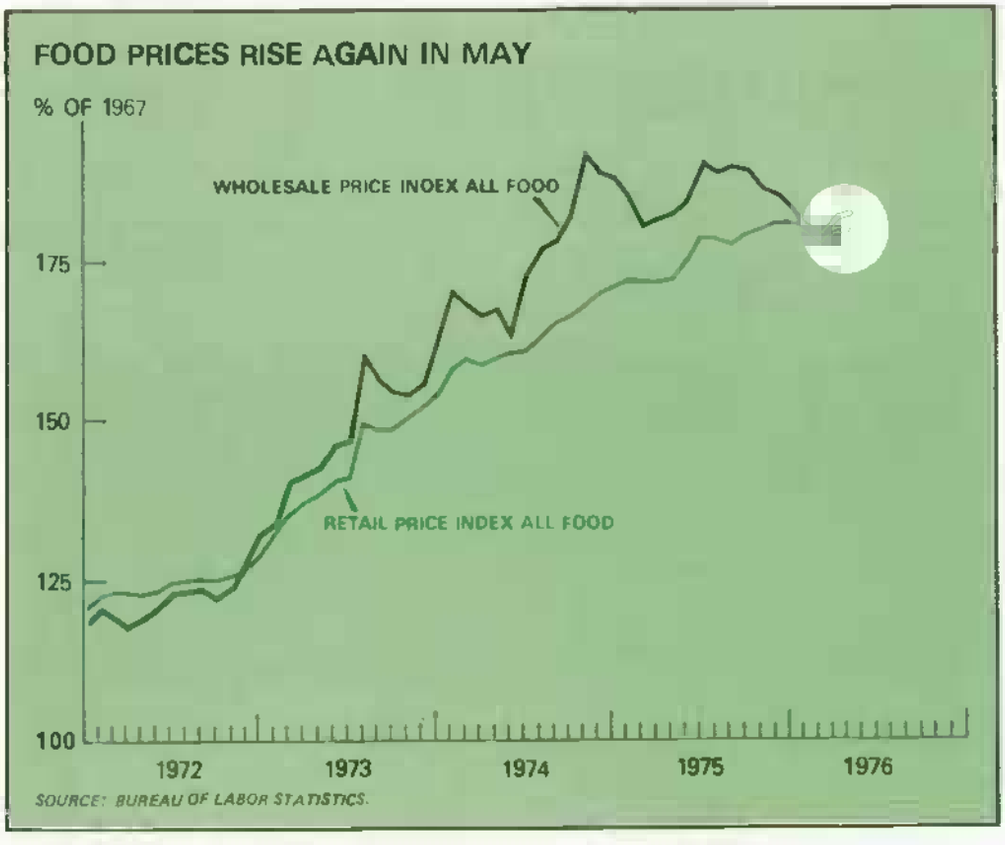
This year's domestic food supplies likely will continue well above 1975 if crops are again large. But the dampening impact of these larger supplies on food prices may be offset by rising marketing costs, seasonally lower beef output this summer, and strong consumer demand. A further retail food price advance of only 1 to 2 percent appears likely this summer, in contrast to sharp increases last year.

If growing conditions and crop yields are near normal, some easing in retail food prices is expected next fall due to larger meat supplies and seasonal price declines for some crop-related foods. On the other hand, if U.S. and world crop prospects deteriorate seriously, food prices could rise later this year. However, any increase could be moderated by larger cattle and hog marketings in response to higher feed costs. In any event, such an increase would have a relatively small impact on average food prices for 1976.

It still appears that for all of 1976 retail food prices may average 3 to 4 percent above last year, reflecting prospects for some improvement in crop supplies both in the United Sates and abroad as well as continued growth in economic activity.

The rise in food prices this year will mostly reflect increases in farm-retail price spreads. Although winding down from increases in recent years, rising marketing costs will push spreads up 4 to 6 percent in 1976.

Consumer spending for food and clothing has been increasing at a 9-percent rate over the past year. Spending has been bolstered by continued increases in real income and rising employment. Real per capita disposable income regained its peak 1973 level in the first quarter of 1976, as it rose 5 percent above year-earlier levels. Conversely, the unemployment rate, at 7.3 percent in May, was down from 7.8 percent at the start of the year and the recession peak of 8.9 percent last May. Meanwhile, employment continued to rise in May, running some 4 percent over year-earlier levels.



Larger Livestock Sales Boost Cash Receipts

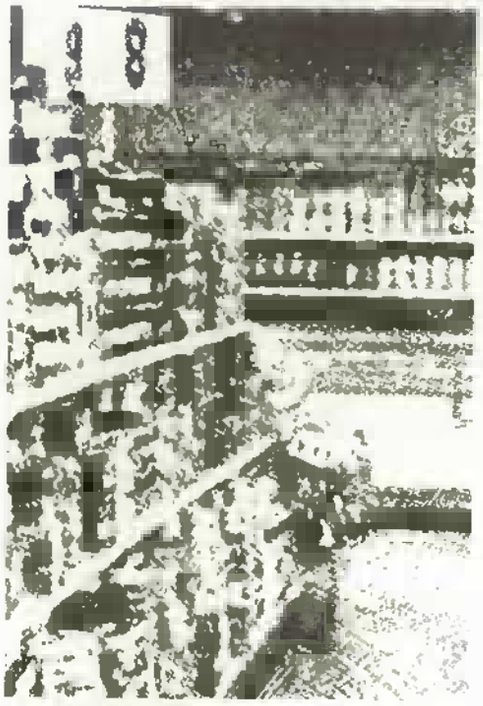
A record flow of cash receipts from marketings of livestock and products is likely this year. An expanding domestic market and increased consumer buying power are absorbing larger livestock output at prices well above a year earlier. January-June livestock receipts were about a fifth larger than a year earlier. Although beef, hog, and poultry prices may weaken as meat supplies increase seasonally toward yearend, livestock product prices for all of 1976 may average about a tenth above last year. Together with increased marketings, this could push livestock receipts for the year up 10 to 15 percent with material gains expected for cattle, hogs, poultry, and milk.

Grain and soybean prices have shown unexpected strength in recent weeks, associated with a strong domestic market, unfavorable crop-related weather conditions here and abroad, and the speculation associated with these uncertainties. If large crops materialize throughout the world, crop prices may weaken later in the season. However, prices will likely be bolstered if foreign demand remains strong and domestic feed demand continues to expand. Large supplies and strong markets will help maintain crop receipts around 1975 levels.

Even if crops are large and gains in receipts narrow in the second half, total cash receipts from farm marketings likely will increase, possibly by around 5 to 7 percent from the $90 billion now estimated for 1975.

Production expenses continue to increase and may largely offset the expected gain in gross receipts. Although prices of some inputs, including fertilizer, are lower, expenses may rise around 6 percent because of larger quantities of inputs used as well as higher prices of most production inputs.

On balance, there is little basis for expecting much change in the overall income position of farmers this year from 1975. Last year, net farm income came to almost $26 billion including a sizable buildup in farm inventories.



FOOD MARKETING

Food price developments in May reinforced our earlier expectations of upward movement through spring and summer. The recent upturn is in line with forecasts for a summer rise and for a moderate increase in food prices this year over last.

Retail food prices in May advanced about 0.4 percent over April, due to an increase in beef prices along with rises for pork and other red meats, fishery products, coffee, and away-from-home meals and snacks. Since food prices usually decline in May, the increase translated into a 1-percent rise on a seasonally adjusted basis. The May increase was the second consecutive monthly rise following declining prices earlier this year. However, the Consumer Price Index for food was about 5 percent above May 1975 and slightly below January 1976. Larger domestic food supplies relative to last year have countered part of the impact of stronger demand and rising marketing costs.

A slowdown in cattle marketings, after record marketings earlier this year, contributed to the nearly 4-percent rise in retail beef prices. Prices of pork and other red meats rose 1 percent from April, also reflecting seasonally lower supplies. Coffee and fish prices continued to reflect tight supplies in those markets. Declines for poultry, eggs, fresh vegetables, and processed fruits and vegetables were partially offsetting.

The Wholesale Price Index for all foods, often a forerunner of changes at retail, rose 0.4 percent in May following the 2-percent increase of the previous month. Red meat prices, which rose sharply in April, fell in May along with fresh produce prices. However, these declines were more than offset by increases in most other foods.

Moderate Food Price Rise Likely

Despite the upward price pressures caused by rising marketing and transportation costs, seasonally lower beef output this summer, and higher consumer incomes, sharp price advances like those of last summer are not expected. Larger domestic food supplies expected this year will have a dampening impact on food price rises.

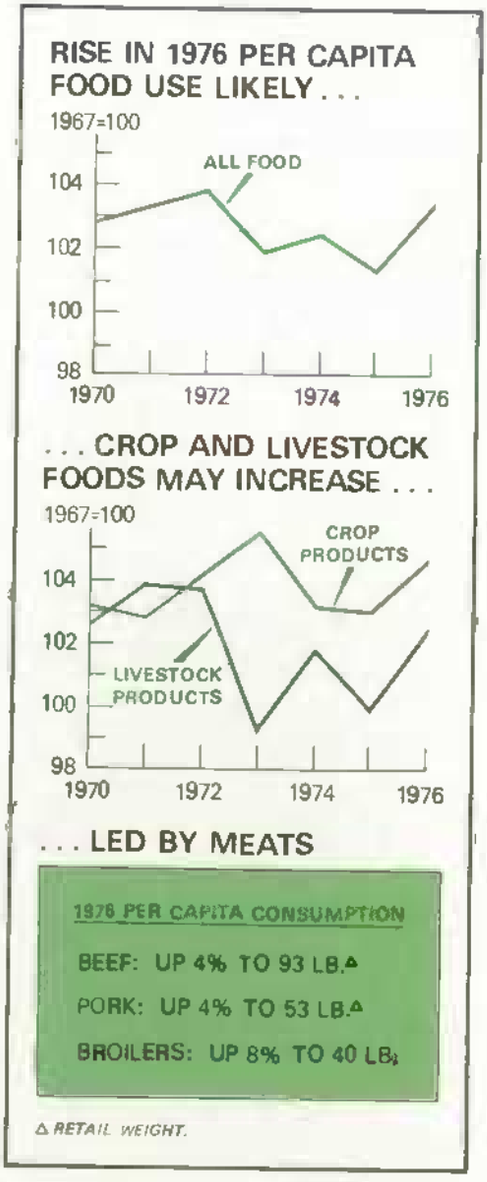
With the recent upturn, second quarter food prices may average slightly above those in the first quarter, and a further advance of 1 to 2 percent appears likely during the third quarter. However, by fall, larger meat supplies and seasonal price declines for certain crop-related foods could lead to some price easing. Such a pattern could result in average food prices this year some 3 to 4 percent above 1975.

Increases in food prices this year will mostly reflect increases in farm-retail spreads as well as higher prices for some nonfarm foods such as coffee and fishery products. Although winding down from large increases in recent years, the marketing spread—which accounts for close to 60 percent of the retail price of foods in total—may average 4 to 6 percent above 1975.

Larger Supplies and Use Seen for 1976

In the absence of severe and widespread weather problems, food supplies are expected to remain above year-ago levels. Total output of livestock foods may be up around 4 percent from 1975, with per capita use up over 2 percent to its highest level since 1972. Total production of crop foods may be only slightly larger than last year's record, but beginning inventories were up sharply. Total domestic food use of crop commodities may be up about 3 percent from 1975, with per capita consumption gaining 1½ percent. Thus, per capita use of all food in 1976 may be about 2 percent above last year and only a little below the record high for 1972.

Looking at the first quarter, per capita use of all livestock products was up around 3 percent from a year ago. Red meat consumption per person rose around 3½ percent, poultry was up 10 percent, and dairy products gained 1 percent. At the same time, egg con-



Coffee Prices Continue to Climb

U.S. coffee drinkers can look for continued rises in coffee prices at the supermarket this year. Retail prices of regular coffee averaged $1.63 a pound in April, up a fourth from last August when the freeze had just hit the Brazilian crop. Further sharp increases in Brazilian coffee bean prices have since occurred, which will continue to be reflected at the retail level.

Over the next 2 years, world coffee output will likely total less than consumption, and world stocks are expected to dwindle to relatively low levels. The 1976/77 world coffee crop is currently estimated at 60.5 million bags (about 8 billion pounds), down over 15 percent from 1975/76. Brazil's 1976/77 coffee crop, cut drastically by last year's severe frost damage, is seen at less than half the 1975/76 harvest.

Higher coffee prices are likely to further reduce coffee consumption this year. Per capita coffee use totaled 12.3 pounds (green bean equivalent, 9.2 pounds retail weight) in 1975, continuing a downtrend from 1962's peak of nearly 16 pounds. (Fred Gray)

PER CAPITA FOOD CONSUMPTION INDEXES[1]

Period	Total livestock	Meat
	1967=100	
1974		
I	101.1	102.3
II	102.1	106.5
III	101.1	104.1
IV	101.3	105.5
1975		
I	100.8	104.0
II	98.3	99.5
III	98.6	98.6
IV	100.3	102.0
1976[2]		
I	103.9	107.8

[1] Seasonally adjusted. [2] Preliminary.

sumption held steady and animal fats and oils dropped sharply.

Here, on a commodity basis, is what could happen to per capita use in 1976:

—Beef, up 4 pounds from 89 pounds (retail weight) last year.

—Pork, about 2 pounds over last year's depressed 51 pounds (retail weight) as supplies expand.

—Eggs, about the same as the 278 per person in 1975 as larger hatchery production and continued population increases counter production gains.

—Broilers, a record 40-plus pounds per person, well above the previous high of 38½ pounds in 1972 and the 37 pounds of last year, because of strong consumer demand.

—Fats and oils, up modestly to about 55 pounds (fat content basis) as margarine, shortening, and cooking and salad oil use pick up. Lard production and consumption may climb some as hog slaughter expands. But butter use will likely drop, following a small gain last year.

—Fish, about the same as the 12 pounds in 1975 as tight supplies and higher prices offset strong demand.

—Coffee, down further from last year's 12½ pounds (green bean equivalent) as price hikes continue to inhibit use.

—Sugar, up 2 to 5 pounds from the relatively low 89-pound level of last year when prices averaged record high.

—Fruits, up modestly from the 211 pounds (fresh equivalent basis) last year, perhaps totaling about 216 pounds, with more than half the increase in noncitrus fruit. (Larry Summers and Anthony Gallo)

Marketing Spreads Turn Up in Mey

Farm-retail spreads for a market basket[1] of farm foods increased 1 percent from April to May as retail prices increased slightly while returns to farmers dropped 1 percent. The May rise followed 3 successive months of declines.

Increases in spreads in May were particularly pronounced for beef, apples, tomatoes, lettuce, and oilseed products—all items for which retail prices were rising despite slipping farm values.

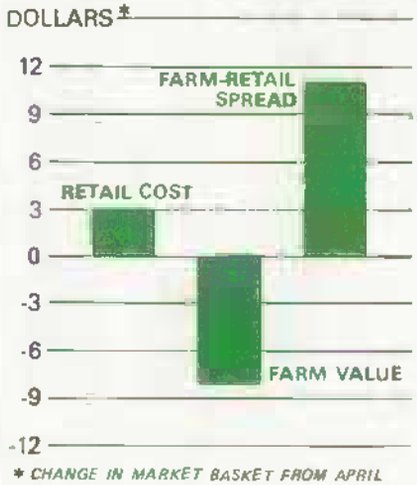
In contrast, the spread narrowed noticeably for poultry and eggs as both farm and retail prices declined. Spreads changed little for other foods in the market basket.

On a year to year basis, the May 1976 farm-retail spread averaged about 6 percent above the year before, with the retail cost of the market basket up 3.6 percent and the farm value up around 0.4 percent.

The farmer's share of the consumer's food dollar spent in retail food stores for farm foods was 40.4 cents this May, compared with 40.8 cents in April and 41.6 cents in May 1975. (Henry Badger)

[1]The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts. The farm-retail spread is the difference between the retail cost and farm value.

MARKETING SPREAD WIDENS AS FARM VALUE DECLINES



* CHANGE IN MARKET BASKET FROM APRIL TO MAY.

COMMODITIES

The supply-demand balance projected for a number of key crops for what remains of their 1975/76 marketing years—together with periods of spotty weather—will almost certainly keep prices sensitive to day-to-day developments at least until we get some sort of assurances of just how good 1976 crops will be later this summer.

At present, foreign demand is turning out stronger than had been expected. Feed grains, soybeans, and cotton continue to be shipped out at a fast clip—and stocks of feed grains and cotton are close to minimum working levels. (For a detailed tabular breakdown of the supply and utilization of major crops, see the Crops and Production section of our Statistical Indicators.)

With little supply cushion from stocks, weather news—even localized reports of floods or dry spots—or the possibility of further export purchases may have big price impacts in the market. Conversely, drought-reducing rains or export sales disappointments could cause prices to break. On balance, crop prices will probably continue high and jittery until new crop prospects become firmer.

Livestock producers have not had sufficient time to significantly alter their production plans in response to the relatively high feed crop prices, although May placements of cattle on feed were down from April. While an upturn in production is definitely underway and promises to continue, livestock producers could begin to temper their expansion plans a bit in the coming months if feed prices continue high relative to livestock product prices. For example, should the cattle feeder scale

down his summer expansion plans, the immediate impact would be larger supplies and lower prices for beef. However, the longer term effect would be to boost prices next year through reduced output.

Prices for Soybeans and Soybean Meal Soar

Despite competition from increasing supplies of foreign-produced commodities and some buildup in domestic soybean stocks at season's end, prices of soybeans and soybean meal have risen sharply in recent weeks. Since early May, soybean prices (No. 1 yellow) at Chicago jumped from around $4.75 per bushel to $6.70 by mid-June. Soybean meal prices (44 percent protein, Decatur) sailed from $130 per ton to a $205 high in mid-June. In less dramatic fashion, soybean oil prices (crude, Decatur) moved up about 2½ cents to around 18½ cents per pound. Lately, prices have retreated some from these mid-June peaks, but still are fluctuating around relatively high levels.

Several major factors account for the strong upsurge in prices:

—The recovery in the U.S. economy is providing a favorable setting for increased use of soybean products. So far this season, domestic disappearance of both soybean oil and meal is up nearly 30 percent from a year ago. Expanding animal numbers, increased feeding rates, reduced cottonseed meal supplies, and competitive prices have boosted domestic use of soybean meal to record levels. Lower soybean oil prices and smaller supplies of cottonseed oil, lard, and butter are key factors behind the record use of soybean oil.

—Improving economic conditions and stepped-up feeding in Western Europe and Japan are contributing importantly to our record soybean exports. So far this year, exports are up about 30 percent.

—Although the 1976 Brazilian soybean crop at 11.6 million metric tons is up about a fifth, delays in moving this crop have tended to minimize competition for U.S. soybean exports.

—Uncertainty about weather and the size of the 1976 U.S. soybean crop is keeping markets nervous. With planting intentions down a tenth from last year's 54.6 million acres, soybean prices this summer and early fall will be highly influenced by new crop developments.

—Farmers continue to hold soybeans in anticipation of higher prices, given the reduced 1976 acreage and the continued strong demand. (Stanley Gazelle)

Feed Grain Demand Strengthens

Domestic feeding of corn and other feed grains has accelerated sharply since late 1975. After lagging in October-December 1975, feed grains used for domestic feeding have been rising sharply since January, reflecting the pickup in livestock and poultry output. In January-May, 58 million short tons of feed grains were used for domestic feeding, up 21 percent from a year earlier.

Until May, corn prices during 1975/76 were high in relation to soybean meal prices, and many feeding operations were substituting meal for part of the corn in rations. But by mid-May, the price relationship had returned to normal and there was little advantage in heavy use of meal in rations. This may stimulate corn use and, along with the expansion in livestock feeding, partly explain the recent strength in corn prices.

Feeding use in June-September will continue heavy and total feed grain use for domestic feeding in 1975/76 likely will amount to about 130 million short tons, around 13 percent more than in 1974/75. (George R. Rockwell, Jr.)

Wheat Prices Pick Up In Line With Other Grains

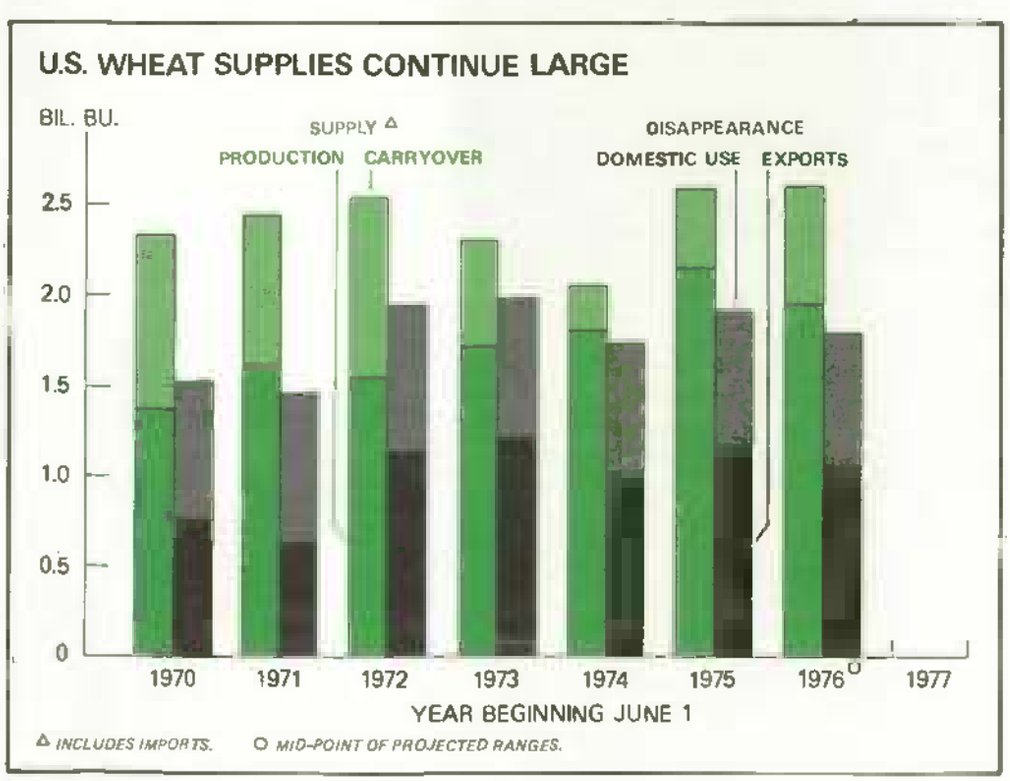
The roller coaster pattern of wheat prices continues. Wheat prices at the farm in April and May appeared to be easing in anticipation of large harvests right over the horizon. But recent news about dryness in the spring wheat belt and a reduction in the USSR and West European grain prospects, along with an upturn in corn and soybean markets, have given wheat prices a boost. It still seems probable that the second largest wheat crop on record and prospects for adding more stocks this coming year could result in some weakness in wheat prices in the months ahead. However, this will depend to some extent on the supply-demand balance and prices of other grains. It now seems less likely that wheat prices will decline to last year's early harvesttime lows of below $3 per bushel as had earlier been expected.

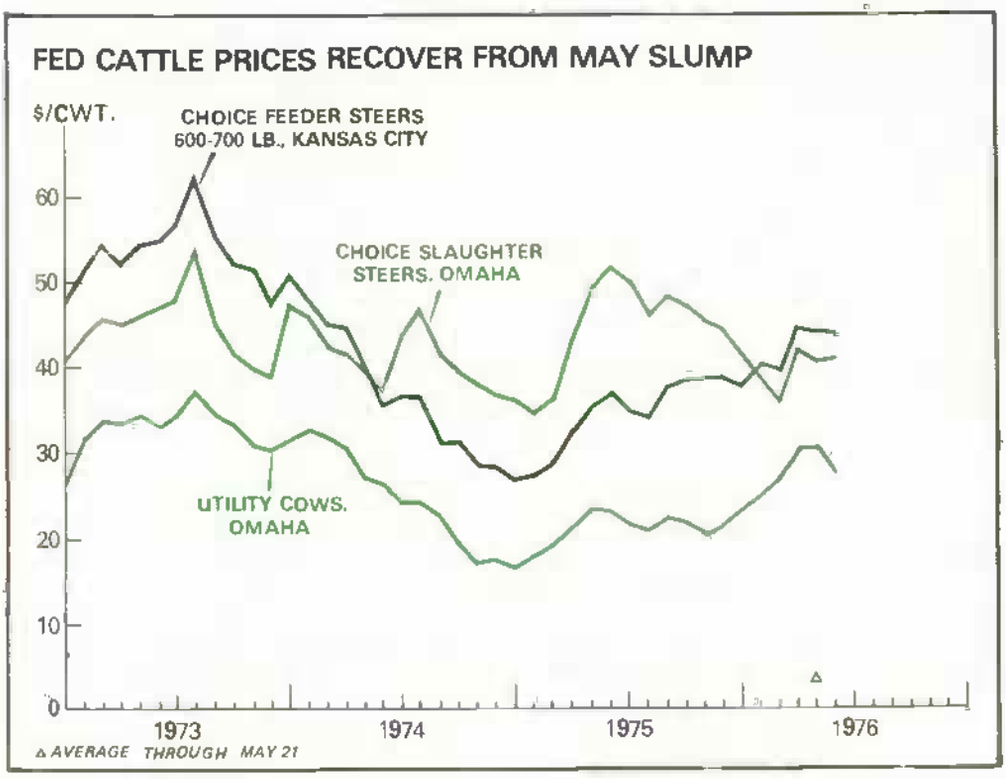
Production of winter wheat as of June 1 is estimated at 1.4 billion bushels, down 3 percent from the May forecast and 14 percent below last year's record. Seeding of this year's large spring wheat crop was far ahead of normal, but short soil moisture supplies in some areas have retarded plant development. Combining the winter wheat estimate with the projected spring wheat crop, a total harvest of 1.9 to 2.0

SOYBEAN MEAL: SUPPLY, DOMESTIC USE AND PRICES

Year[1]	Total supply	Domestic use	Price per ton[2]
	Mil. tons		Dol.
1970	18.2	13.4	78.50
1971	17.2	13.1	90.20
1972	16.9	11.9	229.00
1973	19.9	13.8	146.35
1974	17.2	12.5	130.85
1975[3] ...	20.7	15.4	150.00
1976[4] ...	20.2	15.0	—

[1] Year beginning October. [2] Bulk, Decatur (44% protein). [3] Preliminary. [4] Forecast.





billion bushels looks most probable at this time. This compares with a record crop of 2.1 billion bushels in 1975.

Some recovery is expected in domestic use of wheat in 1976/77 if livestock feeding expands. However, recent strength in wheat prices may limit recovery. An improved outlook for world wheat supplies could hold U.S. exports below 1975/76's heavy 1.2 billion bushels. On balance, 1976/77 utilization is projected to be less than this year's wheat crop, pointing to a third consecutive year of stock building. (Frank Gomme).

Marketing Year Changes

With the publication of the June *Stocks in All Positions* report, the marketing year for wheat shifted from the traditional July/June basis to June 1-May 31. This change was enacted by Congress in 1975. USDA has also shifted the marketing years for rye, oats, barley, and flaxseed to June/May. A significant volume of all these crops is harvested during June. U.S. grain stocks data will now be published for June 1, October 1, January 1, and April 1. In order to have a long-term series of supply and distribution information consistent with the new marketing year, stocks for affected commodities have been adjusted to June 1. The new data and the procedures used for developing them are included in the May issues of ERS's *Wheat Situation* and *Feed Situation*. (Frank Gomme)

Fed Beef Supplies Up From Last Year

Fed beef supplies, down seasonally from first quarter rates, are not expected to change much this summer. Marketings are expected to hold near the spring level, which was up about a fifth from April-June 1975. However, with feedlot operators incurring substantial losses during May, placements of cattle on feed were cut back. Placements in seven States in May were the smallest of the year. The cost of replacement cattle and higher grain prices may limit placements in coming months.

For the last half of 1976, fed cattle marketings may run 20 to 25 percent above last year. However, reductions in nonfed slaughter may be more than offsetting, reducing total cattle slaughter for the 6-month period 5 percent or more from a year ago. Since slaughter weights will be up quite a bit this year, beef production during the summer and fall will about match 1975's July-December production. Strength in the fed cattle market still appears likely, and prices may move into the upper $40's by midsummer. But with marketings increasing seasonally, prices may slip back into the mid-$40's during the fall. (Eldon Ball)

Upturn In Pork Production To Continue

The June Hogs and Pigs report points to a continued expansion in pork production into 1977. Judging from the June 1 inventory of market hogs on farms by weight groups, 15 to 17 percent more hogs may move to slaughter during the second half of this year. And if average slaughter weights continue above 1975 through the summer and near 1975 during the fall, the annual production total could run around 5 percent above last year.

Slaughter hogs marketed during the first half of 1977 will be drawn largely from the fall pig crop. June 1 farrowing intentions suggest an increase of 18 percent in this crop. If intentions are met, slaughter during the first 6 months of the year could be up 15 percent or more over the 1976 slaughter level. A higher proportion of the fall pig crop was marketed as slaughter hogs during January through June of this year than in recent years. This may limit the percentage gain in slaughter next year to less than the magnitude of increase in this year's fall pig crop.

Farmers in 14 important producing States report plans to increase the number of sows farrowing during June-August by 16 percent. Gilts and sows added to the breeding herd boosted the breeding inventory in these States by 12 percent over last year. Pigs farrowed during this period will supply most of the slaughter stock marketed during the winter quarter.

Hog prices and feeding margins which develop over the next few weeks will heavily influence the number of sows to farrow during the fall quarter. Most of this pig crop will move to market next spring. Producers indicate a 19-percent increase in farrowings for this quarter.

While little price variation was observed in the hog market during the first half, a less stable market appears likely for the balance of the year. Some seasonal decline in slaughter has boosted prices into the low $50's. But with increasing marketings likely by late summer, prices may average in the low $40's during October-December and could drop below $40 before yearend. The potential increase in hog slaughter in 1977 could push market hog prices well below the first half of 1976. (Eldon Ball)

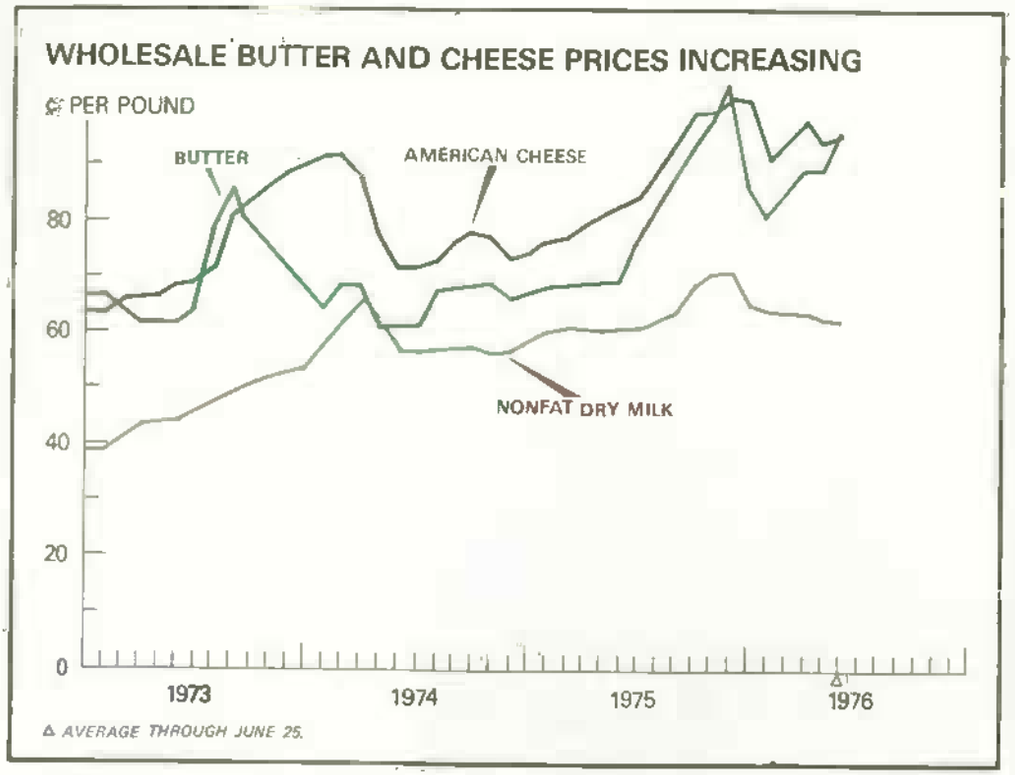
Record Broiler Supplies This Summer

Continued record broiler marketings are in prospect for the balance of 1976, despite weaker prices than in 1975. Broiler chick placements and eggs placed in incubators in recent weeks indicate that marketings through mid-August will be more than a tenth above 1975. A continued favorable relationship between broiler production, marketing costs, and market prices probably will result in production topping year-earlier levels throughout the remaining months of 1976. However, the percentage increase over 1975 is expected to narrow as we approach the end of the

year, in part because of the sharp increase in output during the last months of 1975. Federally inspected broiler meat output during January-May was a little more than 13 percent above a year ago. The increase reflected 12 percent more birds and a gain in average weight of about 1 percent.

Weekly wholesale broiler prices in nine cities during the first 5 months of 1976 ranged from a low of 39 cents to a high of 45 cents a pound, averaging 42 cents. Prices likely will continue their week-to-week fluctuations but with some seasonal increase this summer. Despite the seasonal rise, prices during July-September are expected to average in the low to mid-40-cents-a-pound range, versus 50 cents for the same months in 1975. Seasonal price increases for broilers this summer will be dampened by continued large broiler supplies and more competition from red meats.

Retail broiler prices in July-September may be down about a tenth from a year earlier. The summer peak in consumer demand, as people turn to picnics and barbecues, will be matched by larger supplies of broilers and other meats. (William Cathcart)



Dairy Prices Begin Seasonal Rises Early This Year

Wholesale dairy prices began to rise just as milk production crested in late May and have since posted substantial increases. By late June, wholesale butter prices had risen 9½ cents a pound and American cheese prices were up about a penny. The market strength that resulted in these recent price rises portends substantial seasonal increases in both wholesale dairy product prices and farm milk prices during the rest of 1976. However, we are not likely to see a repeat of 1975's very sharp jumps.

So far this year, milk output has been up substantially, both seasonally and from a year earlier. Most of the additional milk has gone into cheese production where modest commercial stocks and brisk sales bolstered wholesale prices. These strong wholesale prices resulted in April-May production of American cheese types more than a fifth larger than a year earlier.

However, the increases in cheese output siphoned milk away from butter-powder plants, with the result that butter production did not increase seasonally during the first 5 months of 1976 and remained well below comparable 1975 levels. Lower production combined with fairly tight stocks resulted in recent price rises for butter.

The strength in wholesale butter and cheese prices has helped to slow the normal seasonal declines in farm milk prices. Farmers received an average $9.33 per 100 pounds of milk in May, down almost $1 from the December peak but still $1.30 above a year ago. Manufacturing grade milk prices in May were about the same as in February and were well above the support level. (James Miller)

Potato Prospects Hinge on Weather, Irrigation

The recent dam break in Idaho caused some potato acreage loss, but the figure will not be a large share of the total crop for that State. Canal and powerline repairs have largely been made so irrigation can resume.

The U.S. spring potato crop—which usually accounts for 6 to 7 percent of the total harvest—turned out 22 percent above the unusually small quantity harvested a year earlier but is within the range of most recent experience.

Heavy shipping activity in mid-June pushed grower prices lower in Kern County, California, as well as in other regions across the Nation, but in general prices were moderate. The Eastern Shore of Virginia began harvest in early June, somewhat ahead of the usual date adding further to a temporary oversupply condition.

Weather patterns will determine the course of prices this summer. Prospective acreage this summer is 3 percent larger than a year earlier, but 9 percent below 1974. The summer crop usually contributes 6 to 7 percent of U.S. total output. (Charles Porter and Joseph Podany)

Large Supplies of Summer Fruit in Prospect

Fortunately for fresh fruit fanciers, weather in many major commercial producing areas has been such that production prospects for most summer fruit are excellent. As of June 1, U.S. estimated production of selected fruit crops (excluding dried prunes) was 7 percent above last season.

Larger supplies of fresh apricots, nectarines, peaches, and Bartlett pears are likely. In view of the large supply of fresh fruit, shipping point prices are expected to average moderately below a year ago. (Andrew Duymovic and Ben Huang)

Fresh Fruits and Vegetables Get Uniform Grade Names

On July 1, the terms U.S. Fancy, U.S. No. 1, U.S. No. 2 and U.S. No. 3 became uniform grade names which will be used in establishing or revising grade standards for fresh fruits and vegetables and for nuts. About a third of all fruits and vegetables already use these designations. The remaining commodities will be brought under the new proposal gradually as grade standards are routinely issued, revised or amended.

The new grade names represent the following levels of quality:

—U.S. Fancy: Premium quality, covering only the top quality produced.

—U.S. No. 1: The chief trading grade; represents good, average quality that is practical to pack under commercial conditions; covers the bulk of the quality range provided.

—U.S. No. 2: Intermediate between U.S. No. 1 and U.S. No. 3; noticeably superior to U.S. No. 3.

—U.S. No. 3: The lowest merchantable quality practical to pack under

normal conditions.

The grade names are used primarily by the wholesale trade. As a result, consumers are not likely to see immediate results of the new policy because few fresh fruits and vegetables are labeled by grade in retail stores.

Raw products for processing are not included in the uniform grade policy. Standards for fruits and vegetables for processing are entirely separate from those established for the fresh market. This is because these standards are used exclusively in contracts between growers and processors of canned, frozen, or other processed products. (Charles Porter and Robert R. Miller)

Tobacco Prices. Already Strong, Could Climb Further

When the 1976 tobacco auctions open around July 8, expectations are that prices will be up 10 percent or more from year-earlier levels in light of this year's smaller crop. (April intentions indicated the flue-cured crop might run 7 percent lower; little change was seen for burley.)

Grade prices for the 1976 flue-cured crop were increased from 5 to 19 cents a pound, giving a range from 72 cents to $1.36 a pound. The largest increases were placed upon upper stalk leaf.

Southern Maryland markets, which closed in early June, already demonstrated the strength in tobacco prices. Prices averaged a record $1.09 per pound for the 1975 crop, a higher price than for either flue-cured or burley. However, the latter crops (marketed last summer-fall and winter, respectively) were larger crops while Maryland was a short crop. (Richard Hall)

Loan levels for the 1976 tobacco crop, recently announced by USDA, are about 13.7 percent higher than 1975, reflecting increases in the index of prices paid by farmers. To be eligible for advances, producers must certify that they have not used restricted pesticides (DDT, TDE, toxaphene, and endrin) on their 1976 crop. Producer associations receiving the CCC loans are authorized to withhold 1 cent per pound from the advances to producers to help defray association administration expenses. Loan eligibility restrictions have been removed from tobacco produced on federally owned land.

For the two major types, 1976 tobacco loan rates will be 106 cents a pound for flue-cured, up from 1975's 93.2 cents, and 109.3 cents for burley, up from last year's 96.1 cents a pound. (Cecil Davison)

Cotton Prices At 2½-Year High

Spot market cotton prices have reacted strongly to this season's production shortfall, increasing sharply during recent months. Prices for most qualities are up nearly 20 cents per pound since late March and the highest in over 2 years. Although this price rise is good news for farmers, mill use of cotton will likely suffer next season as mills switch to the less expensive manmade fibers. Currently, cotton is priced substantially above manmade fiber staples.

The strong demand expected for cotton would support utilization around 12 million bales. But supplies would have to total above current expectations to achieve this. Consequently, we are looking for U.S. mill use of 6½ to 7½ million bales and exports of 3½ to 4½ million.

As far as 1975/76 goes, after recovering sharply from the recent recession, monthly cotton consumption by domestic mills has leveled off at an annual rate of slightly over 7¼ million bales since last fall. With little change expected in this rate during the balance of the season, 1975/76 use may total around 7 million bales, compared with 5.9 million last year. Stronger demand for all-cotton denim and corduroy, coupled with larger cotton use in blends with manmade fiber, is aiding consumption.

Sharply smaller cotton production abroad, record-high consumption, and reduced stocks have accompanied an increased foreign demand recently. Although estimated 1975/76 U.S. exports of 3¼ million bales are slightly below last year, sharply expanded sales since January are aiding shipments and bode well for 1976/77 deliveries. (Russell G. Barlowe)

July Situation Report Schedule

Situation reports which will be released by USDA's Outlook and Situation Board during July 1976 include:

Title	Off Press
Fats & Oils	July 5
Tobacco	July 12
Dairy	July 13
Agricultural Supply & Demand	July 13
Livestock & Meat	July 15
Farm Real Estate	July 23
Wheat	July 29

Single copies of the above reports may be obtained by writing to ERS Publications Unit, Room 0054 South Building, USDA, Washington, D.C. 20250.

Demand Surge Pressures Wool Prices

The 15-cent increase in the average farm price of a pound of shorn wool (grease basis) from March to April was the largest monthly jump in 3½ years—and no easing is in sight. In fact, the current demand strength indicates that moderate increases from May's 70 cents a pound a likely.

Apparel wool was consumed by U.S. mills in March at the highest rate in nearly 3 years. Mill use for the month totaled 12 million pounds (clean basis), compared to the year-earlier 6½ million. Increased retail demand for all wool and wool blend fabrics is responsible for the rise. Continued strong demand for apparel wool is expected, with total mill use in 1976 estimated to range between 107 to 112 million pounds, up sharply from last year's 94 million and 1973's 75 million. (Sam Evans)

U.S. PRODUCTION OF SELECTED NONCITRUS FRUIT[1]

Crop	Utilized		Indicated
	1974	1975	1976
	Thousand tons		
Apricots	94	170	180
Cherries, sweet	144	154	148
Cherries, tart	132	123	71
Nectarines	115	111	125
Peaches[2]	1,446	1,409	1,597
Bartlett pears	495	506	529
Plums, California	143	126	130
Strawberries	241	240	259
Total	2,810	2,839	3,039
Prunes, California[3]	189	160	210

[1] As of June 1, 1976 for all fruits, June 15, 1976 for cherries. [2] Includes Clingstone culls and cannery diversions. [3] Dried basis.

INPUTS

Farmers paid a little less for production items in May than in the preceding month, but these items were costing farmers about 7 percent more on the average than a year ago. Relative to a year earlier, fertilizer prices this spring were down a fifth, while seed and baler twine were also costing farmers less. Livestock producers paid about the same for feed but a fifth more for feeder livestock. Farm prices of tractors and other farm machinery were 15 to 20 percent above last May. However, gains in wholesale farm machinery prices have recently slowed and this may be reflected at the farm level in coming months.

Cotton Insecticide Supplies Adequate

Cotton insecticide supplies are reported ample in the mid-South. Prices are holding at last year's levels. Early season insecticide use was up. Unusually cool weather in the early growing season encouraged a rapid development of thrip populations causing cotton producers to increase insecticide application to control this infestation. Supplies of cotton herbicides this spring were more than adequate with prices ranging from 5 percent above to 10 percent below last year. (Theodore R. Eichers)

Feed Sales Improve

Commercial feed sales increased during May and continue generally strong. Sales of swine feed in early June were steady. Turkey feed use rose seasonally, but poultry feed sales in general were mixed. Dairy and cattle feed sales, responding to good pastures in many parts of the Nation, declined seasonally.

Feedstuff prices moved mostly higher during May and the first half of June. Strong export demand and some concern over dry weather pushed grain prices upward. Along with an upswing in livestock feeding, this caused a tight supply-demand situation for soybeans and soybean meal. As a result, protein feed prices rose sharply. Many feed manufacturers were hesitant to buy more than current needs at these higher prices. However, prices have weakened since mid-June. If growing conditions are favorable enough to exert downward pressure on feed prices, domestic feed use of grains in 1976/77 may be up about a tenth over this year's level. (Carl J. Vosloh, Jr.)

Farm Machinery Sales Rising

Sales of many types of farm equipment during the first 4 months of 1976 were significantly above a year ago. Total tractor sales were 13 percent higher, around 14 percent more hay balers were sold, and forage harvester sales were up over a third. Self-propelled combine sales declined a little. About 2,200 4-wheel-drive tractors were sold in the first quarter, 35 percent above a year earlier. It now looks like tractor sales for 1976 may be somewhat higher than the January forecast, although sales may still be under 1975's 161,000 units. Sales of combines and forage harvesters are about on track with earlier forecasts, with combine sales likely to be down slightly from 1975 but more forage harvesters sold. (See April *Agricultural Outlook*, AO-9, p. 7).

In January-March, manufacturers shipped almost 55,000 farm-type wheel tractors, 11 percent more than in the same period last year. However, because of the steady rise in larger size tractors, shipments in terms of horsepower were up 20 percent.

Wholesale prices for all agricultural machinery and equipment in April were 7.6 percent higher than a year earlier and 0.4 percent above the previous month. In comparison, the April 1975 index stood 25 percent and 0.4 percent higher than its levels 1 year earlier and 1 month earlier, respectively. As the rate of increase in the wholesale price index for all industrial commodities slows, so also does the rate of increase for agricultural machinery prices. The industrial product wholesale price index was 16 percent higher than a year earlier in April 1975, but only 6 percent above the previous year in April 1976. (Duane Paul)

Fertilizer Prices Decline. Encouraging Use

As a result of only small increases in production and significant increases in disappearance (both domestic and exports) during March-May, fertilizer inventories at the end of May were

INDEXES OF PRICES PAID BY FARMERS

Item	May 1974	May 1975	Oct. 1975	May 1976	Change from Previous year	Change from Last fall
	1967=100				Pct.	
Production items	161	183	186	196	+7.1	+5.4
Feed	173	185	187	187	+1.1	0
Feeder livestock	155	138	148	168	+21.7	+13.5
Seed	[1] 224	[1] 255	[2] 250	[1] 237	-7.1	-5.2
Fertilizer	[1] 171	[1] 231	200	[1] 182	-21.2	-9.0
Agricultural chemicals	[1] 123	[1] 172	NA	[1] 174	+1.2	—
Fuels and energy	[3] 157	[1] 169	184	[1] 183	+8.3	-.5
Farm and motor supplies	[3] 130	[1] 166	169	[1] 173	+4.2	+2.4
Autos and trucks	159	192	NA	210	+9.4	—
Tractors and self propelled mach.	[3] 149	[3] 185	[2] 204	[3] 211	+14.1	+3.4
Other machinery	[3] 151	[3] 186	[2] 210	[3] 221	+18.8	+5.2
Building and fencing	[3] 163	[3] 204	[2] 208	[3] 213	+4.4	+2.4
Farm services and cash rent[4]	166	199	NA	241	+21.1	—
Interest[4]	235	281	281	302	+7.5	—
Taxes[4]	154	162	162	169	+4.3	—
Wage rates[5]	174	190	196	209	+10.0	+6.6
Total	168	187	192	201	+7.5	+4.7

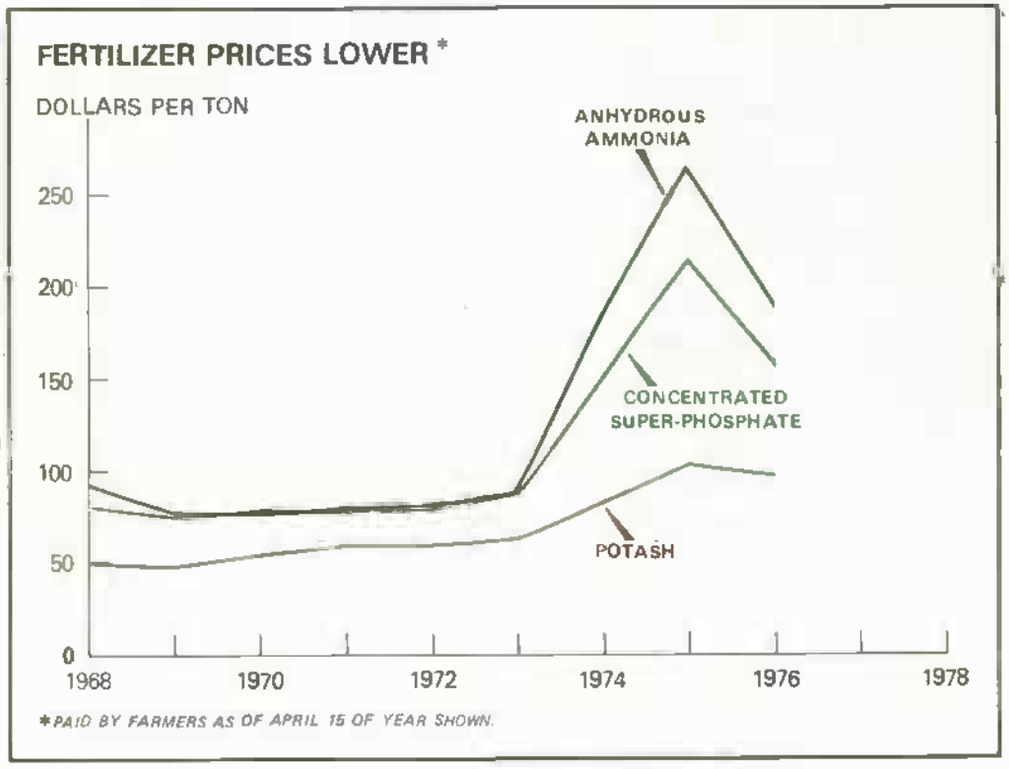
[1] April. [2] September. [3] March. [4] Updated once a year. [5] Updated each quarter. NA—not available.

down. This is especially true for nitrogenous materials, such as urea and anhydrous ammonia.

Domestic use of fertilizer in the July 1975 to February 1976 period lagged year-ago levels. However, March-May consumption was up sharply, bringing the 11-month total to perhaps 10 percent above a year earlier. This large increase in disappearance was the result of a major decrease in the fertilizer-crop price ratio, good planting weather, and larger corn and cotton acreage.

The index of all fertilizer prices in April was a fifth below last spring. However, prices for the major nitrogenous and phosphatic materials were down about 30 percent, while muriate of potash prices were down only 6 percent. Except for potash, fertilizer prices have held steady since April.

Prices of anhydrous ammonia and urea this April were down 28 and 32 percent, respectively, from a year ago, and have held steady through May. The March-May spurt in nitrogen consumption drew inventories of anhydrous



1976 OUTLOOK FOR BALER WIRE AND TWINE

by
Richard Smith
National Economic Analysis Division
Economic Research Service

Supplies of baler twine and wire appear adequate for the 1976 hay crop, although imports and domestic production of twine and wire have declined sharply since last year. However, carryover stocks of wire and twine were above normal, with probably record stocks for twine.

Apparently the tight wire and twine supply situation that developed in the summer of 1973 and the rising prices of 1974 led farmers to stockpile twine and wire. Importers and domestic manufacturers continued to move a large volume of the high priced twine until the spring of 1975. As prices started dropping last spring, the pipeline became full and twine and wire moved slowly through the marketing channels during the remainder of 1975. As a result, carryover stocks of importers, manufacturers, dealers and retailers were abundent at the end of the 1975 haying season.

Because of ample domestic stocks, imports of twine have fallen sharply. U.S. imports of baler twine during October 1975-April 1976 were almost 96 million pounds, down by half from the 192 million pounds imported a year earlier. Although import figures for baler wire are not available, imports of bale ties, a similar product, have been down sharply since last spring.

Domestic shipments of wire and twine have been slow over the past marketing year. Total shipments of baler wire and bale ties for October 1974-September 1975 were 86,750 tons, a decline of 14 percent from the same period of 1973-74. Since last October, shipments of baler wire and bale ties have remained slow with only about 17,570 tons shipped by April compared with 68,900 tons shipped during the same 7 month period of 1974-75. Reports indicate some baler wire manufacturers have discontinued production. Likewise, several baler twine manufacturers have curtailed production at least temporarily, because of low orders for twine.

Demand Slow

Despite the intended 1 percent increase in hay acreage for 1976, demand for baler wire and twine has been hurt by dry, cool spring weather in many parts of the United States. The normally heavy first cutting of hay did not materialize in several states, particularly Minnesota and Indiana. Greater use of big roll balers and "loose" hay handling equipment are further reducing the need for baler twine and wire.

Should summer rains be more plentiful than last year, baler wire and twine demand could strengthen, thereby cutting inventories. Also the dry, cool, late spring weather in parts of the United States caused pastures to grow slowly and may have resulted in above average hay feeding and depleted hay stocks. Farmers in these areas may bale more marginal forage crops than usual, including straw, from small grain crops.

Twine and Wire Prices Down Sharply

Reports indicate retail prices of both wire and twine have fallen sharply since last year. Natural fiber twine prices are now about $12-$14 per 40-pound bale, down from $30-$35 in April 1975. Most synthetic twine is not more than $1 less per bale than natural, compared with $3-$5 less in the spring of 1975. Baler wire prices have dropped to around $19-$24 per 100 pound box currently, compared with $30-$35 per box in April 1975.

Production and marketing margins of both wire and twine have narrowed considerably relative to a year ago. With natural fiber costs of about $8 per bale, margins of twine manufacturers, importers, dealers and retailers are smaller because of their efforts to move the large twine inventories which were manufactured and purchased during higher cost periods. Many domestic manufacturers of baler wire have not raised prices during the past year and the prices for others in the marketing pipeline have declined with the rising stocks of wire.

Unless hay yields continue below normal, prices of baler wire and particularly twine could strengthen $1 or $2 per bale or box by late summer. Assuming natural fiber prices do not decline further and economic conditions both here and abroad continue to improve, baler twine and wire prices might strengthen a bit more next year.

ammonia, urea, and nitrogen solutions down substantially below those in May of most recent years.

April prices of concentrated superphosphate and diammonium phosphate were 26 and 28 percent, respectively, below a year earlier. Consumption was substantially higher in March, April, and May. However, inventories are adequate, remaining above those of the last 4 years.

Potash prices, down only 6 percent, have not exhibited the variation that nitrogenous and phosphatic prices have. Despite a 52-percent increase from March to April in domestic consumption and exports, April 30 inventories of potash were significantly larger than in any of the last 3 years. With these large inventories, some softness in potash prices is expected. (David Harrington)

Debt for Cattle Feeding Up From 1975

By mid-1976, outstanding operating debt for cattle feeding is expected to be about $3.2 billion, almost 50 percent greater than a year earlier. Such debt has been changing drastically in recent years reflecting the changing fortunes of the cattle feeding industry. Debt reached an estimated $5.6 billion at the end of 1973, but decreased to about $2.2 billion in early 1975. Since then, with the uneven improvement in cattle feeding profits, debt has been rising. Despite the increase expected through mid-1976, operating debt for cattle feeding would still be well below earlier peaks. These data were estimated based on computations that look at cattle feeding in the aggregate.

Capital requirements associated with beef production in feedlots are high in relation to many other agricultural production subsector. On an annual basis, operating costs of feedlots in 23 States for feeder calves, feed, and other operating expenses since 1970 have ranged from $7.4 billion to $12.6 billion. During 1975, these expenses were $9.5 billion and they are expected to be near this same level in 1976.

Capital requirements in the cattle feeding industry constitute an extremely important segment in the total demand for non-real estate debt funds. Total non-real estate debt funds required in agriculture have increased each year since 1973. The level of debt funds required in cattle feeding has had a significant influence on the total change in non-real estate debt. Therefore, changes in the capital requirements of the cattle feeding industry may be important beyond those directly involved in cattle feeding. Since 1973, operating debt funds outstanding for cattle feeding have ranged from 6 to 17 percent of all non-real estate debt funds.

A high proportion of the operating expenses associated with beef production in feedlots are normally financed with relatively short term, rapid turnover debt funds. This makes the volume of capital requirements and debt funds for cattle feeding quite volatile from quarter to quarter as changes in the number of cattle fed and variations in cattle and feed prices affect the financing requirements.

Quarterly expenditures for feeder calves, feed, and other operating expenses, the major cost items for which credit is extended, reached an estimated $3.5 billion in early 1974. But due largely to the sharp drop in feedlot placements and lower costs, these expenditures decreased to near $2.1 billion by the third quarter of 1975. Since that time, however, total costs have increased primarily because of larger numbers of cattle placed on feed; by the second quarter of 1976, these costs were estimated to be near $2.7 billion, or 18 percent above the second quarter a year ago. (For a more detailed discussion, see the *Livestock and Meat Situation*, LMS-209, June 1976). (Bruce Hottel and Rod Martin)

NON-REAL ESTATE DEBT OUTSTANDING

Period	Cattle feeding 23 States	Total	Cattle debt as percent of total
	Bil. dol.		Pct.
1973			
Jan. 1 ..	3.7	27.8	13.4
July 1 ..	4.4	30.7	14.5
1974			
Jan. 1 ..	5.6	32.1	17.4
July 1 ..	3.6	35.0	10.4
1975			
Jan. 1 ..	2.9	35.2	8.2
July 1 ..	2.2	38.1	5.7
1976			
Jan. 1 ..	3.4	39.4	8.5
July 1[1] .	3.2	42.0	7.7

[1] Forecast.

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POLICY DEVELOPMENTS

USDA's Indexes of Prices Paid and Prices Received by U.S. Farmers—the two components of Parity Ratio—were revised in May so as to better reflect changes in costs and spending patterns.[1] These indexes are used extensively in economic analysis of agriculture. They are also used to determine parity prices and consequently support levels under farm programs. In addition, they affect decisions of farmers, businessmen, and policymakers across the country.

Below is a rundown of some of the revisions made in the indexes—and their implications.

Prices Paid Index (Parity Index)

Recent farm expenditure surveys show that more of the farmer's dollar is used for production items, interest, and taxes, and less goes for family living items and wage rates than two decades ago. As a result, around three-fifths of the total prices paid index is now represented by production items, compared with about half formerly. At the same time, family living expenditures have slipped from around 40 percent of total weighting to about 30 percent. The net effect of the updated weights was to revise the prices paid index downward slightly during the 1965-75 decade. For the year 1975, it was about 3 percent under the old series.

To reflect the many changes in pro-

[1] For a detailed description of the revisions in these indexes see: *Index Numbers of Prices Received and Paid By Farmers*, Jan. 1965-April 1976, Revised, Stat. Rep. Ser., U.S. Dept. of Agriculture, Pr 1-5 (76), May 29, 1976.

duction technologies and cost relationships in the past decade, a number of subgroups in the prices paid index were restructured and several new groups added.

For example, among production items, fuel and energy and farm chemicals will now be shown separately. The fuel and energy subgroup includes gasoline, diesel fuel, LP gas, and electricity. The agricultural chemicals price index will be reported only once a year in April.

Farm machinery items are also getting greater detail in the revised index. There are now three categories—including a new one for self-propelled equipment—instead of two. Tractors, formerly in the motor vehicles index, are now included in the self-propelled machinery group along with combines, combine corn heads, windrowers, and cotton pickers. On the other hand, the farm supplies and motor supplies subgroups were consolidated. A new index, "farm services and cash rent," has been incorporated.

For family living items, two important new subgroups were added—"medical and health care" and "education, recreation, and other." Formerly these items were represented in the overall index average. The new family living subgroup "housing" is a combination of three categories shown separately under the old index—"household furnishings," "household operations," and "building materials for house."

These revisions were based on national surveys of farm production expenditures made in 1971-75 and family living expenditures by farmers in 1973. The base weight period used for the current revisions was 1971-73.

Also as a part of the 1976 revision process, the number of items included within individual subgroups was reduced by about a fourth. Research results indicated the number of individual items priced within an index subgroup could be raised or lowered with little change in the index results. Consequently, the number of items priced was reduced, substantially cutting the reporting burden on price correspondents.

Prices Received Index

The 1976 updating of the base period did not change the crop-livestock relationship significantly. Overall, crops declined slightly to account for 44 percent of the weight while livestock items rose a little to represent 56 percent of the total weighted index. However, substantial shifts occurred for some individual commodities.

For example, the importance of such old standby crops as cotton and tobacco has declined sharply in the overall importance relativeto total receipts. Cotton declined by nearly two-thirds; tobacco by nearly 50 percent; eggs by more than 40 percent. At the same time, soybeans are 2½ times more important than formerly...corn's importance increased 50 percent...cattle's importance gained 60 percent...though hogs declined 15 percent.

Several commodities were dropped from the index altogether, while some new items have been added. Broilers have replaced farmchickens, reflecting the sharp increase in broiler production and consumption in recent years. Other deletions from the index include rye, sheep, lambs, wool, milkfat in farm-separated cream, and several vegetables. However, prices of some of these commodities are still being reported by USDA in the monthly *Agricultural Prices* report.

The new prices received index for all products is generally slightly lower than the old index for the 10-year period 1965-75. However, for the year 1975 alone, the new index is about 1 percent higher.

The base weight period used for the 1976 revisions was also 1971-73. The basic data for determining the weighting pattern are from official estimates of production, marketing, and sales of farm products regularly collected and reported by USDA.

Generally, all commodities were included in the index if suitable price and marketing data were available and if the average value of marketings in 1971-73 represented 1 percent or more of total cash receipts in the subgroup index. As a result of the current revisions, 44 commodities are included (compared with 55 previously) which represented about 93 percent of total cash receipts in the 1971-73 period.

Both price indexes were linked in January 1965 and publication of the revised series begins with that date. (Robert R. Miller)

Ties With The Past

The index of prices received by farmers had its start in a set of computations based on prices of 10 crops which were published in the March 1909 issue of USDA's *Crop Reporter* and in an index carried in succeeding monthly issues. Livestock prices were brought in later. In 1921, USDA published "Prices of Farm Products in the United States," and a new series of index numbers was published in 1924. In 1928, the Bureau of Agricultural Economics (BAE) published the first index of prices paid by farmers using price data collected by the Bureau since 1910.

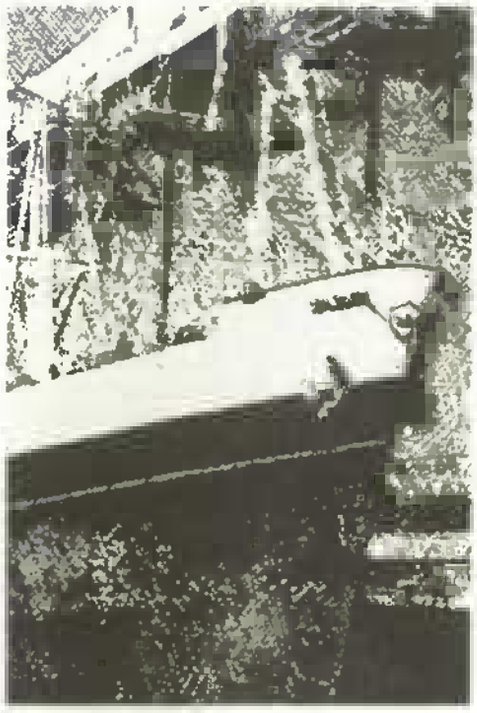
Weights for each price series were determined from farm cost-of-living and farm management studies made by USDA agencies during 1920-25. It was early recognized that for the price indexes to be most meaningful, the weight base period should not lag too far behind the current calculation of the index. As a result, revisions in these price indexes have been made over the years to achieve more complete commodity coverage, more up-to-date or representative commodity weights, or improvement in handling various technical problems of price measurement.

Index numbers currently are published on two bases: 1910-14=100 as required by law for determination of parity prices, and 1967=100 to meet the requirements that all Federal indexes be standardized on a current base. Indexes of prices received and paid by farmers are computed only at the national level as a regular part of USDA's Statistical Reporting Service program.

However, because the 1910-14 base is receding further in the past, maintaining some semblance of statistical accuracy presents many problems. The basic reason is that only approximate comparisons are possible in light of the dramatic changes in the whole structure of our agriculture over the past 60 years. Scarcely any phase of today's agriculture bears more than a nostalgic resemblance to that of 1910-14.

To find an extensive list of commodities commonly bought both now and then is obviously impossible. What has been done instead is to develop four base weight periods which include commodities common to that period: 1924-29 (which covers the entire period 1910 to March 1935); 1937-41 (covering March 1935 to September 1952); 1955 for the prices paid index and 1953-57 for the prices received index (covering September 1952 to January 1965); and 1971-73 (covering January 1965 to the present).

Each of these periods provides reasonable homogeneity in commodity structure and a reasonably good measure of price relationships in the period covered. As a result, it is possible to compare the present with 1910-14 by linking all four of the indexes together. (Robert R. Miller)



WORLD AGRICULTURE AND TRADE

Northern Hemisphere crops have been largely planted, and current conditions point to an increase in world agricultural production this year. Higher government support prices in some countries and greater availability of fertilizer and other chemical inputs at lower prices are raising production levels. Summer weather is now the critical variable. For 1976/77, the world grain situation could well swing back toward more plentiful supplies and some accumulation of stocks—particularly in the major exporting countries.

Improved economic conditions in both developed and developing nations will boost the demand for food and fiber. Livestock feeding is becoming more profitable, and U.S. feed grain sales should benefit. Despite the economic recovery, expanded farm production around the world will likely result in U.S. agricultural exports in fiscal 1977 somewhat lower than the record shipments of fiscal 1976.

1976/77 World Grain Forecast Lowered

While an increase in world wheat and coarse grain output is indicated this year, the current forecast of 1,062 million metric tons is slightly below our earlier estimate. That estimate of 1,078 million tons was based mainly on planted area and planting intentions then reported, and earlier yield projections generally assumed average weather and growing conditions. Better information is now available on both planted area and yields. Most of the reduction in the forecast is attributable to poor growing conditions last fall and winter in the USSR and the extremely dry spring in northwest Europe.

The world wheat and coarse grain crops now anticipated would still be above the 1975 harvest of about 982 million tons and about 30 million tons above the 1973 record high. World wheat production is estimated at about 6 percent above 1975; feed grain production about 9 percent higher.

It is likely that in 1976/77 as much as a tenth less grain will be traded in the world market as in 1975/76. Most major wheat importers will buy less. Net wheat and coarse grain purchases by the Soviet Union are expected to drop to about two-thirds of the 26-million-ton estimate for 1975/76. During 1971/72 through 1974/75, net Soviet imports averaged 6.8 million tons annually.

Food Production to Rise in Major Markets

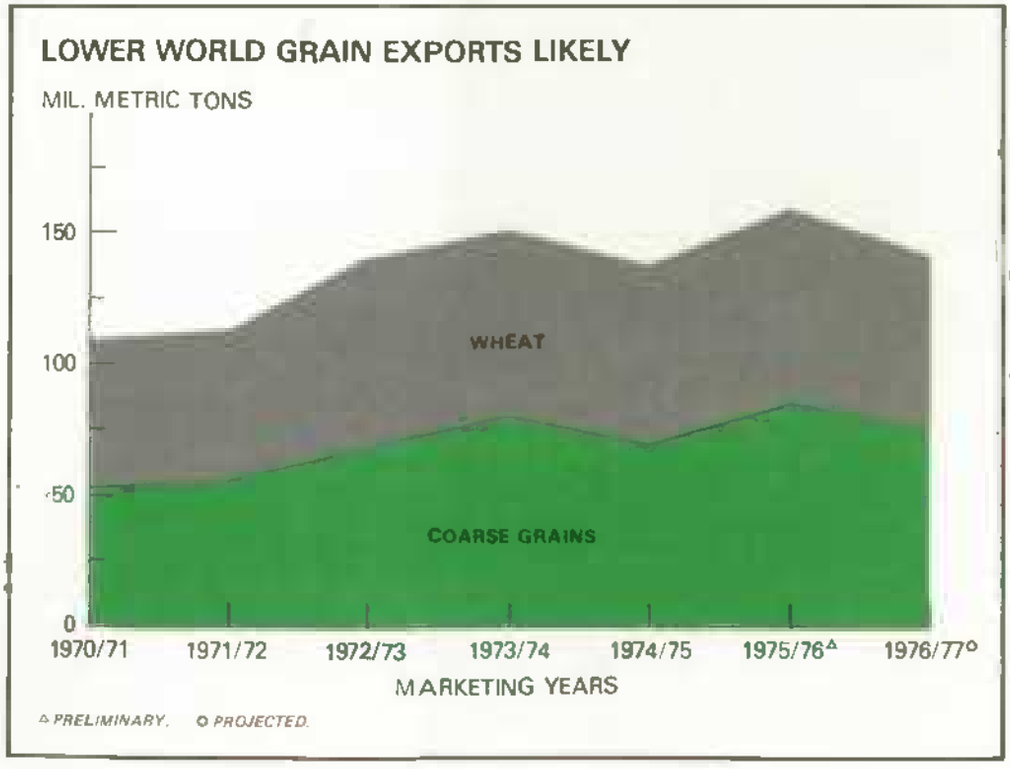
In the *USSR*, a significant recovery in grain production is anticipated from the 1975 harvest of 140 million metric tons. The estimate of the 1976 Soviet grain harvest was recently lowered to 190 million tons, compared with the goal of 205 million tons and harvests of 196 million in 1974 and 222 million in 1973. Moisture conditions during the summer months will be critical. Precipitation from mid-April through May was above average over most of European USSR, and soil moisture supplies improved significantly. However, some areas in the southeastern part of European USSR remained deficient in moisture. In Asiatic USSR, precipitation from mid-March through May was only a little over half of the normal amount, and soil moisture supplies were depleted rather rapidly.

Spring seeding was largely completed in the Soviet Union by early June. Seeded area of 154 million hectares was about 5 percent above the total at the same time in 1975. Spring grains (excluding corn) were seeded on 97 million hectares, about 2 million hectares more than in 1975.

On May 1, the number of hogs on state and collective farms was 18 percent below a year earlier. Poultry numbers were down 13 percent, and sheep and goat numbers were down 4 percent. The Soviet cattle herd was 1 percent larger. During January-May 1976, meat production (live weight) was 7 percent below a year earlier. Grain feeding is expected to increase sharply in 1976/77 as the Soviets rebuild livestock herds, especially hogs and poultry, and as they move from maintenance rations to more normal feeding.

Soviet consumers have been experiencing sporadic, localized food shortages since midwinter. Shortages of some food products nearly always occur by late spring in the USSR. However, this year's reports indicate more serious problems than usual because of the tight supply situation. Although variety is lacking and quality is low, sufficient food is available to maintain Soviet caloric intake near average levels.

The anticipated larger grain harvest this year would likely decrease Soviet grain import needs. U.S. grain shipments to the USSR are estimated at



about 14 million tons in fiscal 1976.

In *Eastern Europe*, crop development has been delayed by dry weather and a late spring. Vegetation growth was 2 to 3 weeks behind normal by mid-May. Precipitation has been below normal in several countries since last October, but adequate rains in the early summer could easily provide recovery. Poland will experiment in large-scale corn production this year.

The expansion in meat production has slowed in Eastern Europe due to inadequate domestic feed supplies and difficulty in export marketing. However, domestic demand for meat continues to increase. Hungary has signed a 10-year agreement with the Soviet Union to export live cattle and grain in return for above-quota imports of Soviet oil, oil products, cotton, and wood products.

Weather-reduced 1975 grain crops in Eastern Europe and the USSR, its major grain supplier, caused shipments of U.S. grain to Eastern Europe to rise to about 5½ million tons in fiscal 1976, up from just over 2 million tons in fiscal 1975. U.S. grain and oilseed exports to Eastern Europe in fiscal 1977 will depend upon weather and crop developments, export opportunities for East European meat, and the availability of hard currency and financing.

The 1976 *West European* wheat and coarse grain harvest is now expected to total slightly above 1975's disappointing outturn of 132 million tons. Highly favorable weather prevailed in the European Community (EC) through mid-March, but since late March a severe drought has affected parts of Northern Europe, significantly reducing winter grain yields.

Continued improvement in feed-livestock product price ratios is resulting in increased livestock feeding in the EC. Hog and poultry numbers are expanding, but beef production will be lower in 1976 due to reduced cattle inventories. Milk production continues to increase.

Economic recovery began in Western Europe late in 1975, and a strong performance was recorded for the first quarter of 1976. Consumer confidence is expected to play a large role in the recovery. Wage restraint agreements have been made between major labor unions and West European governments in an attempt to reduce inflation. These limitations on wage hikes may moderate increases in demand for imported foods.

The poor 1975 West European grain crop and strengthened demand for feeds substantially increased U.S. grain and soybean exports to Western Europe in fiscal 1976. Demand for these products is likely to be reduced in fiscal 1977 by larger European grain crops, the nonfat dry milk feeding regulations, and the new EC feed wheat and corn support prices, which will encourage greater feeding of wheat in place of corn.

Japan's economic recovery also began in late 1975. Both industrial production and exports have picked up. The resulting rise in disposable income, together with population growth, is boosting the demand for imported food and feed. The volume of U.S. agricultural exports to Japan—our largest single country market—is expected to expand further in fiscal 1977.

Growth Seen for U.S. Farm Exports to Africa and Far East

Prospects for agricultural production in *developing countries* in the 1976/77 growing season are generally favorable. No major weather problems have occurred, and supplies of fertilizer and other chemical inputs are more plentiful.

As the developed countries pull out of the economic recession, their demand for both primary products and manufactured goods from developing countries should increase. Recently, raw material prices have reversed direction and risen somewhat.

U.S. agricultural exports to the developing countries of the Far East and Africa are expected to continue to grow in fiscal 1977. In fiscal 1976, shipments grew most rapidly in Egypt, India, Indonesia, Taiwan, and the Philippines.

U.S. agricultural exports to West Asia are expected to rebound in fiscal 1977 from 1976 levels. Overbuying in 1975, port congestion, improved food production, and the cooling of the oil boom were factors in the fiscal 1976 decline.

Latin American imports of U.S. agricultural products are likely to drop further in fiscal 1977. A large role of U.S. farm products in Latin America has been to compensate for production shortfalls. Many countries have imposed import restraints due to severe balance-of-payments problems.

In the *People's Republic of China* (PRC), grain production could equal 1975's output if weather is favorable during the summer. Winter grain production in Northern China was hurt by dry weather in the winter and spring. The massive farmland improvement and capital construction program undertaken from September 1975 through March 1976 should offset some of the damaging effects from the winter and spring weather.

Continued PRC restraints on imports of agricultural products are expected this year. U.S. agricultural exports to the PRC are estimated at $2 million in fiscal 1976, and prospects for fiscal 1977 are limited. Some cotton shipments are possible because of rising world demand for Chinese textiles and the reduced 1975 Chinese cotton crop.

Increased Competition for Grain and Oilseed Markets

Increased competition can be expected in world grain and oilseed markets. Larger production is expected in the major *competing countries*[1] except Argentina. Canadian wheat production is expected to reach 18 million metric tons in 1976, which would be the largest crop since 1969. In the late spring, Canada was hit by dry, warm weather; good early summer rains are needed if this estimate is to be reached. Australia is entering the fall planting season with low soil moisture conditions prevailing. Similar conditions were faced last year, and a good crop was harvested.

The high priority given Brazilian agriculture has encouraged record plantings of corn and rice this year. Soybeans continue to expand as a double crop under the wheat improvement program and as a cash crop on pasture and coffee land. Record Brazilian exports of soybeans, corn, rice, and oilseed products are expected in 1976.

Argentina's 1976 feed grain crops were sharply reduced by the drought which occurred in December 1975-January 1976. However, a large wheat crop was harvested in late 1975. The new government of Argentina has tripled the wheat support price to encourage the expansion in wheat area. (Sally E. Breedlove)

[1] Includes Canada, Argentina, Australia, South Africa, Thailand, and Brazil.

Top 10 U.S. Trading Partners

The 10 major countries of destination for U.S. agricultural exports, in order by value, in calendar 1975 were Japan, the Netherlands, West Germany, Canada, USSR, South Korea, Italy, Spain, India, and the United Kingdom.[1] Japan far outranked the others by offloading over $3 billion of U.S. farm products. Its closest rival, the Netherlands—a major transshipment port—received just over $1.7 billion worth. Total U.S. agricultural exports were about $22 billion last year. In 1974, neither the USSR nor India made the top 10 list of U.S. destinations, but Mexico ranked fifth and China (Taiwan) tenth.

In 1975, the 10 major countries of origin for U.S. agricultural imports, in order by value, were Brazil, Australia, Dominican Republic, Mexico, Canada, Philippines, Colombia, Malaysia, Indonesia, and the Netherlands. U.S. farm imports dropped slightly in 1975 to about $9.3 billion. Competitive items, which made up two-thirds of total agricultural imports last year, came chiefly from Australia, Dominican Republic, Philippines, Canada, and Mexico.

[1] Data not adjusted for transshipments.

THE PAST 200 YEARS OF AMERICAN FARMING

by Wayne Rasmussen
National Economic Analysis Division
Economic Research Service

In 1776, ninety out of every hundred workers were farmers, while in 1976, the number is four in a hundred. Technology has been the key—not the only reason, but the key—to the increase in total production and the increased productivity per man-year of labor that has characterized U.S. agriculture over the past two centuries.

At the time of the American Revolution, most of the tools used on the farm differed little from those known for 2,000 years. Grain was cut almost universally with a sickle, a curved blade with a short handle, swung from a stooped position. It was not until about the time of the Revolution that first the long-bladed and long-handled scythe and then the cradle, a wicker frame attached to the scythe blade to catch the cut grain so that it could be laid down in windrows, came into use.

The most dramatic breakthrough in farm production in the years around the Revolution was the invention of the cotton gin. Upland cotton grew well throughout the South. However, the lint clung tenaciously to the seed. In 1793, Eli Whitney fixed that with his gin which dramatically changed Southern agriculture. Production of cotton increased from an estimated 10,500 bales in 1793 to 4,486,000 bales in 1861. This led to the expansion of the plantation system, with its use of slave labor. The dependence of the South upon a major export crop produced largely on slave-operated plantations set several forces in motion which led to the Civil War. If it had not been for Eli Whitney or someone like him, cotton growing might not have become profitable, slavery could have declined and disappeared, and the Civil War may never have taken place.

The availability of low-cost cotton, together with the new spinning and weaving machinery adopted from England, led to the rapid industrialization of the New England economy. The demands of the mill towns offered New England farmers expanding markets for their products. This stimulus to Northern farming, in turn, encouraged experiments with new tools, implements, and methods.

The First American Agricultural Revolution

In considering the past 200 years, it must be remembered that land for farming has always been plentiful in America and comparatively less costly than labor. Thus, any device or technique permitting the cultivation of more land with the same amount of labor usually was stressed.

In these early years, the horse was the logical replacement for human labor—and a wide variety of implements were developed to utilize horse power. But adoption was slow as farmers hesitated to invest in the implements until they felt that it would pay. The Civil War stimulated the change and resulted in the first American agricultural revolution—the change from hand power to horse power. The war-induced labor shortage, high prices, and a seemingly unlimited demand encouraged farmers to either spend their savings or go into debt to acquire the labor-saving machines. The farmers then found themselves committed to commercial production.

From 1870 to 1900, farmers had to grow more to pay for the machines, but recurrent surpluses kept prices low. Food was cheap, but the farmer stayed poor as the opening of new land and widespread mechanization sent floods of grain to market. And even as farmers were paying off on their horse-drawn equipment, new mechanical sources of power were being developed for farms.

The first practical, self-propelled gasoline tractor was built in 1892—and tractors gained gradual acceptance up to World War I, when high prices for farm products, government appeals for increased production, and some labor shortages encouraged their wider use.

But in July 1920, farm prices dropped sharply. Farmers, supported by government legislation, organized cooperatives to improve their marketing efforts. Nonetheless, during much of the next two decades, farmers were nearly always in a marginal economic situation at best, which meant that they were slow to convert from proven horse-drawn equipment to tractor power, and its additional cash costs. It took World War II, with its farm labor shortages, its high prices for farm products, and its increased demand to convince nearly all American farmers to turn to tractors and other

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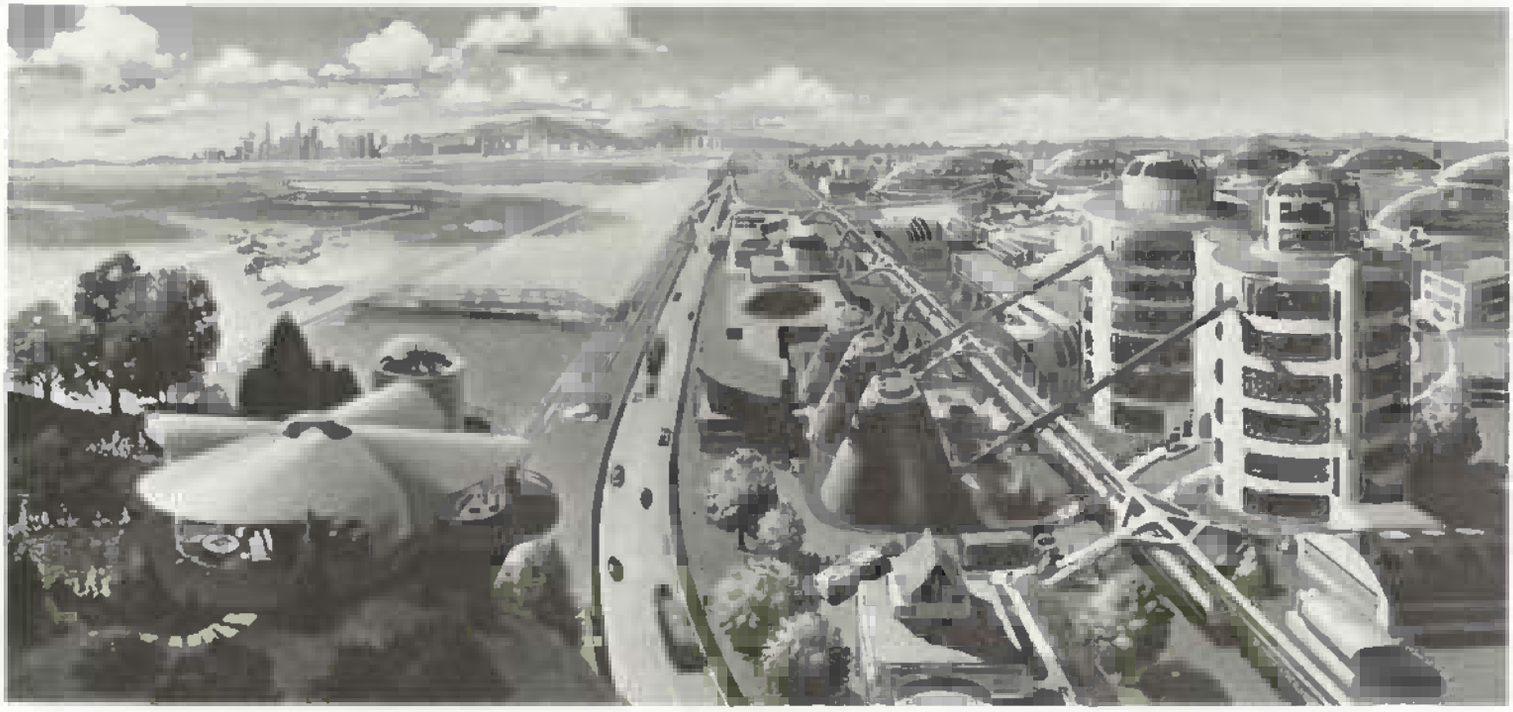

AGRICULTURE 200 YEARS FROM NOW

by Don Paarlberg
Director of Agricultural Economics
U.S. Department of Agriculture

What farmer in 1776, drawing upon a century and a half of colonial experience, could have, even in his wildest fancies, imagined the world of the 20th century farmer. Likewise, what 20th century man—even though he has vastly greater information resources to draw on—will be able to accurately envision the realities of 22nd century farming? Still, the chance to dream a bit about what the next 200 yeas will bring to U.S. agriculture is too good to pass up in this bicentennial year. Here are some of the developments which USDA researchers feel might come to pass between now and our quadricentennial celebration.

Technological Breakthroughs

Much of the speculation about the agriculture of the future focuses on the possible scientific breakthroughs that might occur. Here are what some scientists foresee:

—Minimum or no-till crop production, to prevent wind and water erosion of our land resources.

Illustration: An advanced farm of the future may have high-rise livestock feeding houses with connected feed mills, controlled environment fields, remote controlled combine-tillers, rapid transportation and control towers equipped with computers, instantaneous market and weather reports, plus analytical techniques for gearing production to markets. (Illustration © National Geographic Society).

—Upgrading the protein content of the cereal grains and other crops.

—Hybridizing of additional crops, including more crossbreeding (as in the case of crossing wheat and rye to produce triticale).

—The learning of soil management techniques which would permit agricultural use of the fragile soils of the tropical rain forest.

—Biological rather than chemical control of harmful insects and diseases.

—Control of the tsetse fly, the vector of sleeping sickness in Africa, thereby opening for agricultural use vast areas of that continent which now lie idle.

—Successful long-range weather prediction, and possible weather modification.

—The use of satellites for worldwide crop reporting.

—Extension of the principle of nitrogen fixation to new groups of plants, in addition to legumes, thus cutting down the need for commercial fertilizer.

—The desalination of sea water, permitting human habitation and agricultural production in lands now unused.

—Conquest of the fuel problem, probably by the use of nuclear energy.

—Greater environmental control for both plants and animals, providing more economical production and higher, more standardized quality.

—Advances in food technology, particularly the modification of plant protein so as to provide meat analogs to the many millions who cannot afford palatable and nutritious meat, milk and eggs.

—The use of microbial action on various feedstocks (such as organic wastes or fossil fuels) for the direct production of feed and food.

—Better systems of distribution, so as to minimize the twin problems of overeating and poverty-related malnutrition.

—Improved understanding of relationships, so that the computers will give us more sense and less nonsense.

—Most important of all, advances in family planning and in greater public acceptance of the replacement-sized family so that mankind might move out from under the Malthusian shadow.

Institutional Changes

Breakthroughs in science and technology will be accompanied by marked changes in the institutional arrangements within which crops and livestock are produced.

In the next 200 years agriculture will lose its uniqueness. The farm-nonfarm delineation, which now is basic to an understanding of economic, social, and political events, will lose its significance. The farm-nonfarm delineation will have little more relevance than, say, dividing the present economy into business and non-business. In fact, it will be difficult to tell what is a farm and what is not.

Farming will become far more factory-like, with output geared to consumer demand. This will involve greater coordination between producers and processors, integrated planning and management, and close orientation to market demand.

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related machines and equipment.

Nevertheless, mechanization was only part of the second American agricultural revolution. The greater use of lime and fertilizer, widespread use of cover crops and other conservation practices, irrigation whenever necessary, use of improved varieties and breeds, adoption of hybrid corn, a better balanced feeding of livestock, the more effective control of insects and disease, and the use of chemicals as weed killers and defoliants made up the new package of farm practices. The idea that the total package resulted in greater production than the sum of the parts was a systems approach to the problems of increasing agricultural productivity. The effects were revolutionary so far as production was concerned. In fact, since 1950, output per man-hour in agriculture has increased at a rate of nearly 6 percent a year, compared with 2½ percent for all other industries.

The past 200 years of American agriculture point up the fact that farmers have made big changes primarily when a new technology has been developed and tested and when the economic climate has been encouraging. The first such period in American history came with the Civil War, which triggered the first American agricultural revolution and the change from hand power to horse power. The second agricultural revolution resulted from World War II and the change from horse power to the internal combustion engine and the adoption of a package of new farm practices.

The number of farms in the United States declined from 6.5 million in 1920 to 5.6 million in 1950 and 2.8 million in 1975. The drop resulted primarily from the machinery and other technology that permitted a farmworker to handle a much larger acreage than he could before. In 1950, there were 9.9 million persons working on farms, compared with 4.3 million in 1973. Looking at it another way, in 1975 there was one farmer for every 53 Americans. This compares with one in 16 in France and one in 23 in West Germany. The Soviet Union has one farmer for five people, while in India and Pakistan the figure is one for four.

What has been the significance of constantly increasing farm production and productivity to our Nation?

U.S. agriculture provided the base, illustrated by the case of the cotton gin, for the industrialization of the Nation. It provided foreign exchange and surplus capital for investment in industry. It provided a constant supply of food at modest cost for the factory workers in our growing cities and produced some of the raw materials for the factories. Farms provided a constant supply of workers for the cities as young people left the rural areas. And these young people from the farms were not only laborers. Many became the industrialists, lawyers, bankers, inventors, teachers, and other leaders of our Nation.

There is a grain of truth in what William Jennings Bryan said in 1896: "Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country."

And That's the Wey it Was...

Imagine a young working man, his wife, and two children living in Philadelphia in 1776. The husband works 12 hours a day, 6 days a week. At 6 shillings a day, he earns about 148 shillings a month.

Once each month his wife goes shopping for staples. First on her list is flour. A hundred pounds will cost her 21¼ shillings. At 1 pound per person per day, it will last less than a month. Although she would like to have some rice for variety, rice is even more expensive than flour. Next she must purchase a barrel (100 pounds) of salt pork. At 89¾ shillings, it will furnish the family with meat and fat for a month. Although salted beef costs only 79 shillings, it is out of the question because she would have to buy lard for frying and baking. The barrel of pork will just have to do. Next on her list is a sweetening of some kind. Sugar, too, is out of the question et 73½ shillings per 100 pounds so she buys her usual 4 gallons of molasses for 2½ shillings a gallon. That's 10 more shillings gone. Luckily she has enough salt to last another month because that would cost another 3 shillings. Her husband would like to have a gallon of rum and although it would only cost 4-1/3 shillings, she doesn't have it to spare. She already has spent more than 80 percent of her husband's wages on basic food necessities. How can she possibly cut back? The family is already eating at the level at which Washington and Jafferson faed their slaves

The family is grateful for its vegetable garden and the dozen chickens which eat the kitchen waste and lay a total of two or three eggs a day. Sometimes the family trades a few eggs or some surplus vegetables for a gallon of milk or some fruit. If they had more space, they could have a cow or some fruit trees.

How do these prices look in present day dollars and cents? A day's weges would be $1.50; a month's income would be $37. For 100 pounds, flour would cost about $5, salt pork over $22, sugar over $18. Molasses would cost 62 cents a gallon. Butter, at 5 shillings or $1.25 a pound, was a food for the rich. Those who owned cows might occasionally keep a little butter for the family but usually sold or traded it and other surplus milk products.

Today, on the average, Americans spend 17 percent of their disposable income on food. In 1776, basic food necessities consumed more than 70 percent of the working man's income. However, as bad as that was, before independence was won, things got worse. By 1779 wages had increased 14-fold, but prices had increased 28-fold. Prices in 1777 were about 200 percent higher than in 1776; 1778 prices were 81 percent higher than 1777; and 1779 prices were 396 percent higher than 1778. Prices became so inflated that people resorted to barter whenever possible. (Jane Porter)

This highly coordinated industry of large farms very likely will operate in much the same fashion as nonfarm manufacturing industries. Accordingly, planning of capital outlays, production schedules, and pricing of food and fiber products will be closely tailored to market demand and to the income goals of the agricultural industry. The production of crops and livestock on these farms will be so vast—requiring so much land, so much capital, so much management expertise—that a single person will be unlikely to supply all.

In commercial agriculture, the nearest thing to the family farmer will be a farm operator who lives on the land with his family, rents his farm, borrows his money, and hires his labor. He will make his own decisions on how he combines these inputs, contracting for both his input items and his output of product. And that's not a bad prospect.

Besides the farms that produce most of the crops and livestock there will be part-time farms, combining the production of food and off-farm jobs with rural living. This will be another form of the family farm.

Another important institutional change which may come about during the next 200 years is the capacity to manage our system of money and credit so as to check or at least reduce the rate of inflation, now rampant and worldwide. To accomplish this we may have to devote time, thought, and effort on a scale similar to that expended 40 years ago in coping with the Great Depression.

Two hundred years from now no one will be able to buy a pound of butter or a quart of milk or a bushel of wheat anywhere in the United States. We will be on the metric system—these products will be sold by the kilogram, liter, or metric ton.

Attitudinal Changes

The first two centuries since we became a Nation have seen us greatly preoccupied with the wonders and marvels of new scientific discoveries and technologies. However, in the next two centuries we may strive to strike a better balance between things material and the things of the heart, mind, and spirit.

For example, during the next 200 years we may experience a migration back to rural areas as pronounced as the move to the cities was during our first 200 years as a Nation. Rural America, with its warmer personal relationships, cleaner air and water, greater privacy, and greater social stability, will look better and better as the years pass. We will be able, in rural areas, to provide most of the social services and utilities that presently are found in the cities.

Practically every nation now has some kind of rural development program that has as its objective making the rural areas a better place to live and work. These programs work with the present and future mood. Two hundred years from now the "City Limits" signs will have lost their significance. They will mark a boundary between units of government; they will have limited social and economic distinctions.

The first 200 years we spent cutting down trees; the next 200 years we will spend planting them. We will put back into trees lands that were deforested in order to be farmed, lands with slopes too steep for modern farm equipment, or too poor to compete with the more productive lands that will be kept in annual crops. Our forests were once considered simply an obstacle to the plow and a source of lumber. In the future they will be considered not just for their value as lumber but also for their aesthetic and ecological value.

During most of the 200 years past we sought to get the public domain into private ownership, and to a large measure succeeded. Hence forward we shall be trying to identify and protect the public interest in these privately-owned lands. Is the competitive market to continue as the major if not the sole determinant of how these lands are to be used, whether for cropping, grazing, timber, mining, recreation, industry, residential uses, highways, airports, wildlife, watershed protection, or flood prevention? What is the legitimate public interest in the answers to these questions and how is this interest to be expressed? We are in a transitional phase with regard to land policy and it would take a wiser man than I to see where we might be 200 years from now. This will be a major issue during the years ahead.

For the commodity programs in agriculture the recent trend has been to move away from strong government decisionmaking and in the direction of market orientation. It may be that the high tide of government involvement in the production and pricing of farm products was reached some 10 years or so ago, and that the years ahead will see commodity policies more nearly in keeping with the long tradition of free enterprise in our country.

As a final assessment of our long-term outlook to 2175, I quote from what might seem an unusual source: the author of the Book of Genesis. According to this author, the Lord Himself set His rainbow in the Heavens and issued this long-term agricultural outlook statement: "While the earth remaineth, seedtime and harvest, and cold and heat, and summer and winter shall not cease." That forecast has been good for about 3,000 years. It seems not overly presumptuous to extend it for 200 more.

STATISTICAL INDICATORS

FARM INCOME

Farm marketing indexes (physical volume)

Items	Annual			1975			1976			
	1973	1974	1975	Apr	Nov	Dec	Jan	Feb	Mar	Apr
					1967=100					
All commodities	112	111	115	89	159	134	121	93	93	90
Livestock and products	104	104	105	103	112	109	104	102	111	109
Crops	125	122	129	69	225	170	145	81	66	60

Cash receipts from farming

Items	Annual			1975			1976			
	1973	1974	1975	Apr	Nov	Dec	Jan	Feb	Mar	Apr
					$ Mil.					
Farm marketings and CCC loans[1]	86,875	93,521	90,572	5,606	10,174	8,722	8,087	6,134	6,097	6,118
Livestock and products	45,824	41,424	43,245	3,315	3,944	3,977	3,818	3,696	3,985	4,106
Meat animals	30,403	25,257	26,110	2,002	2,426	2,310	2,239	2,233	2,432	2,566
Dairy products	8,080	9,399	9,790	807	861	940	964	891	987	965
Poultry and eggs	6,824	6,285	6,871	463	623	677	576	534	531	528
Other	517	483	474	43	34	50	39	38	35	47
Crops	41,051	52,097	47,327	2,291	6,230	4,745	4,269	2,438	2,112	2,012
Food grains	7,086	9,276	8,744	392	544	460	464	268	230	248
Feed crops	10,604	13,882	12,751	564	1,784	1,551	1,339	826	662	574
Cotton (lint and seed)	2,787	2,975	2,609	131	535	489	416	108	54	31
Tobacco	1,570	2,146	2,136	11	304	346	287	22	1	11
Oil-bearing crops	7,585	9,604	8,023	332	1,490	732	893	468	308	257
Vegetables and melons	4,450	5,358	5,298	307	412	278	331	273	330	326
Fruits and tree nuts	3,401	3,476	3,367	193	323	296	254	217	198	211
Other	3,568	5,380	4,399	361	838	593	285	256	329	354
Government payments	2,607	530	808	57	50	77	83	53	32	52
Total cash receipts[2]	89,482	94,051	91,380	5,663	10,224	8,799	8,170	6,187	6,129	6,170

[1] Receipts from loans represent value of loans minus value of redemptions during the month. [2] Details may not add because of rounding.

Cash receipts[1] from farm marketings, by States, January-April

State	Livestock and Products		Crops[2]		Total[2]	
	1975	1976	1975	1976	1975	1976
			$ Mil.[3]			
NORTH ATLANTIC						
Maine	74.5	82.4	44.7	74.6	119.2	157.0
New Hampshire	16.2	18.7	7.0	6.8	23.2	25.5
Vermont	60.6	79.3	7.3	6.7	67.9	86.0
Massachusetts	33.7	37.3	32.2	41.0	65.9	78.2
Rhode Island	3.6	4.0	3.6	3.1	7.2	7.1
Connecticut	39.2	45.4	52.7	58.8	91.8	104.2
New York	338.5	427.2	118.5	123.1	457.0	550.3
New Jersey	35.1	40.6	37.0	33.0	72.1	73.6
Pennsylvania	353.0	424.5	150.8	161.3	503.8	585.8
NORTH CENTRAL						
Ohio	311.4	362.7	456.2	351.6	767.6	714.3
Indiana	383.8	448.6	377.1	417.9	760.9	866.6
Illinois	584.8	694.4	1,101.5	1,364.4	1,686.3	2,058.8
Michigan	215.8	275.1	241.1	213.2	456.9	488.3
Wisconsin	616.7	827.1	120.3	142.8	737.0	969.9
Minnesota	610.4	743.7	451.6	402.2	1,062.0	1,146.0
Iowa	1,167.1	1,422.3	854.4	813.6	2,021.4	2,235.9
Missouri	491.9	618.7	228.8	214.4	720.7	833.1
North Dakota	126.0	180.6	350.5	358.3	476.4	539.0
South Dakota	376.6	499.7	164.6	131.8	541.2	631.5
Nebraska	675.9	858.8	498.4	506.0	1,174.3	1,364.8
Kansas	527.6	759.3	498.0	343.2	1,025.6	1,102.5
SOUTHERN						
Delaware	51.9	56.9	13.0	10.7	65.0	67.7
Maryland	122.2	140.8	49.1	37.4	171.3	178.1
Virginia	141.7	167.4	61.5	54.2	203.1	221.6
West Virginia	27.4	32.1	12.6	12.1	40.0	44.2
North Carolina	302.4	338.7	140.1	91.2	442.6	429.8
South Carolina	81.4	95.2	73.0	61.8	154.4	157.0
Georgia	322.5	369.9	147.7	91.1	470.2	461.0
Florida	171.9	202.1	923.3	895.5	1,095.2	1,097.6
Kentucky	180.5	228.7	215.8	258.4	396.3	487.0
Tennessee	137.9	171.6	76.9	104.5	214.8	276.0
Alabama	218.8	248.8	96.9	75.0	315.8	323.8
Mississippi	166.7	200.6	181.1	174.6	347.8	375.2
Arkansas	254.8	289.2	229.9	118.8	484.6	407.9
Louisiana	95.3	123.7	268.4	94.8	363.7	218.5
Oklahoma	274.0	410.1	185.8	157.9	459.9	568.0
Texas	800.8	1,076.4	614.2	575.5	1,415.1	1,651.8
WESTERN						
Montana	77.2	111.6	179.1	180.3	256.2	292.0
Idaho	117.7	154.3	222.6	168.5	340.4	322.7
Wyoming	42.2	59.6	20.6	31.2	62.9	90.8
Colorado	430.4	553.9	136.8	122.1	567.2	676.0
New Mexico	92.4	123.3	30.1	29.2	122.5	152.5
Arizona	181.1	227.6	183.0	146.9	364.1	374.5
Utah	56.7	71.6	26.8	18.1	83.5	89.7
Nevada	26.8	37.6	9.1	9.7	35.9	47.3
Washington	133.4	167.2	362.7	308.6	496.0	475.8
Oregon	97.2	126.4	100.6	117.4	197.8	243.8
California	827.5	948.9	1,068.2	1,029.9	1,895.7	1,978.8
Alaska	.9	1.0	.2	.2	1.1	1.2
Hawaii	19.6	20.8	87.2	87.2	106.8	108.0
UNITED STATES						
Grand Total	12,495.8	15,606.1	11,512.6	10,830.5	24,008.4	26,436.6

[1] Estimates as of the first of current month. [2] Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

FARM PRICES: RECEIVED AND PAID

Prices received by farmers, U.S. average

Commodities	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Crops										
All wheat ($/bu.)	3.16	4.48	3.68	3.47	3.41	3.43	3.66	3.65	3.50	3.43
Rice, rough ($/cwt.)	11.00	13.94	10.19	11.10	8.44	7.95	7.54	5.91	7.09	7.06
Corn ($/bu.)	1.89	2.92	2.70	2.66	2.37	2.44	2.48	2.50	2.46	2.61
Sorghum ($/cwt.)	3.20	4.59	4.31	4.21	4.00	4.06	4.09	4.13	4.13	4.14
All hay, baled ($/ton)	39.10	49.10	51.40	56.30	51.60	52.70	54.30	54.10	54.10	64.80
Soybeans ($/bu.)	6.50	6.42	5.24	5.00	4.28	4.46	4.50	4.46	4.52	4.87
Cotton, Upland (cts./lb.)	32.46	51.26	41.13	36.50	49.60	50.50	51.70	52.80	50.20	57.10
Potatoes ($/cwt.)	4.25	5.72	4.18	3.56	4.17	4.52	4.80	4.95	5.23	5.26
Dry edible beans ($/cwt.)	16.90	32.20	20.30	17.00	20.60	20.00	18.80	17.90	16.20	17.00
Apples for fresh use (cts./lb.)	10.7	10.9	11.5	14.3	8.7	8.5	8.3	9.1	10.0	9.3
Pears for fresh use ($/ton)	[1] 192	[2] 200	[2] 185	280	181	187	188	239	218	244
Oranges, all uses ($/box)[3]	1.93	1.96	1.65	1.80	1.82	1.83	1.93	2.09	2.16	2.31
Grapefruit, all uses ($/box)[3]	2.02	1.84	1.80	2.39	1.60	1.38	1.25	1.22	1.27	1.87
Livestock										
Beef cattle ($/cwt.)[4]	42.80	35.60	32.30	35.30	33.50	33.50	34.20	33.60	37.90	36.90
Calves ($/cwt.)[4]	56.60	35.20	27.20	29.10	30.00	31.40	34.40	35.30	38.00	38.00
Hogs ($/cwt.)	39.40	34.30	47.50	45.10	47.50	47.50	47.90	45.50	47.00	47.50
Lambs ($/cwt.)[4]	35.10	37.00	42.10	45.70	46.30	47.70	46.80	49.70	54.60	60.30
All milk, sold to plants ($/cwt.)[4]	7.14	8.33	8.71	8.03	10.30	10.20	9.79	9.72	9.37	[5] 9.33
Milk, manuf. grade ($/cwt.)[4]	6.20	7.13	7.62	7.07	9.25	9.07	8.45	8.53	8.50	[5] 8.42
Broilers (cts./lb.)	24.2	21.8	26.3	24.6	24.0	24.3	25.2	24.4	23.7	24.7
Eggs (cts./doz.)[6]	54.1	53.0	52.8	47.1	64.1	62.2	59.8	54.1	53.4	55.5
Turkeys (cts./lb.)	34.8	28.8	33.6	31.1	36.2	33.6	32.1	32.5	31.6	32.0
Wool (cts./lb.)[4] [7]	82.7	59.1	44.7	48.0	43.3	48.4	53.1	52.8	67.8	69.5

[1] Ten month average. [2] Eleven month average. [3] Equivalent on-tree returns. [4] Weighted averages for annual data. [5] Preliminary. [6] Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. [7] Average local market price, excluding incentive payments.

Indexes of prices received and paid by farmers, U.S. average*

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
					1967=100					
Prices Received										
All farm products	179	192	185	183	186	186	187	185	189	191
All crops	175	224	201	198	188	190	192	194	193	198
Food grains	215	300	242	234	221	221	233	227	222	218
Feed grains and hay	163	243	230	230	207	212	216	217	214	229
Feed grains	163	249	232	230	206	211	214	216	213	223
Cotton	144	228	183	162	222	222	221	224	223	254
Tobacco	129	148	162	166	157	157	157	157	158	158
Oil-bearing crops	226	232	195	187	163	168	170	168	171	181
Fruit	137	141	140	151	132	126	130	138	140	138
Fresh market[1]	137	136	135	149	126	123	129	138	141	139
Commercial vegetables	134	143	164	161	174	175	157	167	165	142
Fresh market	156	152	173	169	189	191	163	179	177	140
Potatoes[2]	206	291	215	188	213	225	233	236	243	246
Livestock and products	183	165	172	171	184	183	183	178	186	185
Meat animals	198	165	169	176	174	174	178	173	188	186
Dairy products	143	166	174	159	205	203	194	193	188	183
Poultry and eggs	176	163	179	164	192	188	186	175	172	178
Prices Paid										
Commodities and services, interest, taxes, and wage rates	144	164	180	180	184	190	191	192	193	193
Family living items	133	151	166	164	171	172	172	173	174	174
Production items	146	166	182	183	186	191	193	194	197	196
Feed	160	194	187	185	179	182	183	185	183	187
Feeder livestock	192	148	134	138	149	148	160	158	174	168
Interest on indebtedness secured by farm real estate	193	235	281	281	281	302	302	302	302	302
Taxes on farm real estate	146	154	162	162	162	169	169	169	169	169
Wage rates (seasonally adjusted)	155	178	192	190	196	213	213	213	209	209
Production items, interest, taxes, and wage rates	149	172	187	187	192	197	199	200	202	201
Prices received (1910-14=100)	447	481	463	457	464	466	468	463	473	479
Prices paid, etc. (Parity index) (1910-14=100)	490	564	615	613	630	645	649	652	656	656
Parity ratio	91	85	75	75	74	72	72	71	72	73

[1] Fresh market for noncitrus and fresh market and processing for citrus. [2] Includes sweetpotatoes and dry edible beans. *Revised data back to January 1965 available in SRS publication *Index Numbers of Prices Received and Prices Paid by Farmers*, Pr 1-5(7) May 28, 1976.

WHOLESALE AND RETAIL PRICES

Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
					1967=100					
All commodities	134.7	160.1	174.9	173.2	178.7	179.3	179.3	179.6	181.3	181.8
Industrial commodities	125.9	153.8	171.5	170.3	176.1	177.3	178.0	178.9	180.0	180.4
All foods[1]	146.9	174.4	186.0	182.4	185.2	183.2	179.7	178.2	181.5	182.1
Farm products and processed foods and feed	159.1	177.4	184.2	181.2	186.0	184.6	182.0	180.3	183.7	184.9
Farm products	176.3	187.7	186.7	184.5	193.8	192.8	191.0	187.2	192.9	192.6
Fruits and vegetables[2]	168.1	192.3	183.7	183.1	190.3	194.8	192.6	184.5	195.0	179.0
Grains	183.6	257.9	223.9	213.0	205.5	210.5	214.3	217.8	209.0	213.5
Livestock	190.4	170.6	187.8	197.9	191.6	184.7	179.5	170.7	192.3	186.9
Poultry, live	179.5	157.4	189.8	177.6	181.3	169.0	173.1	182.6	165.4	174.3
Fibers, plant and animal	197.8	193.9	153.1	153.1	179.5	193.5	186.5	187.9	187.5	201.5
Milk	145.0	172.8	180.2	166.6	212.7	212.3	207.6	207.6	197.0	194.2
Eggs	165.7	160.6	159.8	145.5	192.3	182.0	177.0	159.2	162.6	171.5
Oilseeds	231.2	232.2	198.5	194.1	166.9	170.0	173.2	172.9	172.2	181.2
Processed foods and feeds	148.1	170.9	182.6	179.0	181.0	179.4	176.4	175.8	178.0	179.9
Meats	163.4	159.6	188.7	189.8	196.0	190.4	180.3	171.7	183.5	182.8
Beef and veal	163.6	158.6	176.3	189.4	183.0	173.1	162.0	150.0	171.5	162.0
Pork	160.5	162.3	214.7	201.7	223.9	224.6	213.5	202.4	203.3	212.6
Poultry	177.2	157.3	184.1	175.1	177.7	164.5	170.1	178.8	163.8	171.8
Fish	190.8	204.6	218.7	216.8	240.7	253.1	256.2	261.3	271.3	279.9
Dairy	131.1	146.4	155.8	149.6	171.3	169.7	163.4	166.7	167.7	167.1
Processed fruits and vegetables	129.6	154.6	169.8	171.0	168.5	167.6	166.7	166.5	167.1	167.9
Cereal and bakery products	134.4	171.2	178.0	176.2	174.6	174.7	175.1	174.5	172.8	173.4
Sugar and confectionery	132.3	258.9	254.3	239.6	199.1	202.6	200.4	207.5	202.5	208.7
Beverages	121.7	140.7	162.4	161.0	165.4	165.1	167.0	167.0	169.3	172.3
Vegetable oil end products	143.6	224.8	211.5	215.5	184.0	174.1	170.9	170.2	168.8	173.4
Textile products and apparel	123.8	139.1	137.9	135.2	144.0	145.1	146.3	146.7	147.4	147.0
Apparel	119.0	129.5	133.4	132.2	135.1	136.5	137.4	137.8	138.6	137.9
Hides, leather, and related products	143.1	145.1	148.5	147.7	154.6	157.5	159.9	162.0	165.4	169.6
Footwear	130.5	140.0	147.8	146.9	150.5	151.5	153.0	153.9	155.3	156.2
Lumber and wood products	177.2	183.6	176.8	183.0	183.1	190.5	196.0	202.3	203.3	202.3
Tobacco products	121.9	132.8	149.6	148.7	159.0	159.0	159.1	159.3	162.1	161.9

[1] Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm product group. [2] Fresh and dried.

Consumer Price Index, U.S. average (not seasonally adjusted)

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
Consumer price index, all items	133.1	147.7	161.2	159.3	166.3	166.7	167.1	167.5	168.2	169.2
Consumer price index, less food	130.7	143.7	157.1	155.6	162.1	162.6	163.4	164.2	165.0	166.0
All food	141.4	161.7	175.4	171.8	180.7	180.8	180.0	178.7	179.2	179.9
Food away from home	141.4	159.4	174.3	172.8	180.0	180.9	181.9	182.8	183.8	184.8
Food at home	141.4	162.4	175.8	171.6	180.9	180.8	179.6	177.7	178.1	178.7
Meats[1]	161.1	164.1	177.9	167.9	189.8	186.8	182.8	179.6	176.6	180.5
Beef and veal	163.8	168.5	170.0	166.4	174.7	174.9	168.3	164.7	160.8	166.9
Pork	161.7	161.0	196.9	175.6	219.6	210.1	208.5	204.3	200.0	201.9
Poultry	154.8	146.9	162.4	149.8	168.5	164.5	159.8	157.7	158.0	155.3
Fish	162.8	187.7	203.3	199.1	214.1	216.1	219.2	219.3	222.3	225.1
Eggs	160.2	160.8	157.8	144.6	176.4	182.8	184.9	160.4	159.4	154.5
Dairy products[2]	127.9	151.9	156.6	153.6	165.5	168.2	168.5	167.9	167.9	167.4
Fats and oils[3]	126.4	179.4	198.6	203.0	185.9	182.4	177.4	175.0	171.7	170.6
Fruits and vegetables	142.5	165.8	171.0	169.0	172.1	173.3	173.2	173.6	179.0	176.4
Fresh	150.8	162.6	166.1	164.7	162.1	163.8	164.4	165.2	174.7	171.7
Processed	130.2	170.6	178.3	175.4	187.0	187.3	186.4	186.1	185.4	183.3
Cereals and bakery products	127.7	166.1	184.8	187.0	182.2	182.0	181.1	180.6	180.2	180.8
Sugar and sweets	128.3	195.2	246.2	246.0	225.7	224.5	224.0	222.4	221.1	219.5
Beverages, nonalcoholic	130.2	155.6	178.9	175.3	190.1	191.1	191.7	193.0	198.0	203.3
Apparel commodities less footwear	126.5	135.7	140.6	140.1	143.6	140.9	141.4	142.2	142.8	144.2
Footwear	130.2	138.1	144.2	144.5	145.7	144.7	146.1	147.5	149.0	149.6
Tobacco products	137.0	143.8	153.9	153.3	156.8	158.1	159.2	159.5	159.9	160.1
Beverages, alcoholic	122.5	131.8	142.1	141.9	143.7	144.0	144.4	145.2	146.0	146.6

[1] Beef, veal, lamb, mutton, pork, and processed meat. [2] Includes butter. [3] Excludes butter.

FARM-RETAIL PRICE SPREADS

Farm-retail price spreads[1]

Commodities	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Market basket:										
Retail cost (1967=100)	142.3	161.9	173.6	169.1	178.8	178.5	176.9	174.8	174.9	175.2
Farm value (1967=100)	167.2	178.4	187.1	181.6	191.8	186.1	183.5	180.5	184.1	182.3
Farm-retail spread (1967=100)	126.5	151.4	165.1	161.2	170.6	173.7	172.7	171.2	169.0	170.7
Farmer's share (%)	46	43	42	42	42	40	40	40	41	40
Beef, choice:										
Retail price[2] (cts./lb.)	135.5	138.8	146.0	147.8	150.6	148.6	142.7	135.1	142.0	141.7
Carcass value[3] (cts.)	98.1	97.4	105.5	115.9	105.7	96.4	90.1	82.8	95.9	92.1
Net farm value (cts./2.28 lbs.)	89.9	86.1	92.9	103.9	93.6	83.5	77.7	71.8	87.4	81.2
Farm-retail spread (cts.)	45.6	52.7	53.1	43.9	57.0	65.1	65.0	63.3	54.6	60.5
Carcass-retail spread[4] (cts.)	37.4	41.4	40.5	31.9	44.9	52.2	52.6	52.3	46.1	49.6
Farm-carcass spread[5] (cts.)	8.2	11.3	12.6	12.0	12.1	12.9	12.4	11.0	8.5	10.9
Farmer's share (%)	66	62	64	70	62	56	54	53	62	57
Pork:										
Retail price[2] (cts./lb.)	109.8	108.2	135.0	123.0	147.5	144.2	141.6	138.7	136.6	138.6
Wholesale value[6] (cts.)	87.3	77.4	103.8	97.3	107.0	103.3	101.5	96.2	98.6	101.4
Net farm value (cts./1.97 lbs.)	71.5	60.8	86.9	82.5	87.4	87.4	87.8	83.9	86.2	88.2
Farm-retail spread (cts.)	38.3	47.4	48.1	40.5	60.1	56.8	53.8	54.8	50.4	50.4
Carcass-retail spread[4] (cts.)	22.5	30.8	31.2	25.7	40.5	40.9	40.1	42.5	38.0	37.2
Farm-carcass spread[5] (cts.)	15.8	16.6	16.9	14.8	19.6	15.9	13.7	12.3	12.4	13.2
Farmer's share (%)	65	56	64	67	59	61	62	60	63	64

See footnotes at end of table.

Farm-retail price spreads[1] —Continued

Commodities	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Milk, fresh:										
Retail price (cts./½gal.)	65.4	78.4	78.5	77.4	81.1	82.2	82.7	82.8	82.6	82.0
Farm value (cts./4.39 lbs. Class I)	34.1	40.8	41.2	39.6	45.7	47.1	48.4	46.9	44.5	45.8
Farm-retail spread (cts.)	31.3	37.6	37.3	37.6	35.4	35.1	34.3	35.9	38.1	36.2
Farmer's share (%)	52	52	52	51	56	57	59	57	54	56
Chicken, frying:										
Retail price (cts./lb.)	59.6	56.0	63.3	57.8	65.3	63.6	61.4	60.8	60.7	59.4
Farm value (cts./1.41 lbs. broilers)	35.0	31.6	37.3	33.3	37.2	35.0	34.7	35.7	32.6	32.1
Farm-retail spread (cts.)	24.6	24.4	26.0	24.5	28.1	28.6	26.7	25.1	28.1	27.3
Farmer's share (%)	59	56	59	58	57	55	57	59	54	54
Eggs, large grade A										
Retail price (cts./doz.)	78.0	78.3	77.0	70.6	86.1	89.1	90.1	78.2	77.6	75.2
Farm value (cts./1.03 doz.)	54.4	53.2	50.8	45.2	60.5	60.8	63.3	50.6	52.4	50.5
Farm-retail spread (cts.)	23.6	25.1	26.2	25.4	25.6	28.3	26.8	27.6	25.2	24.7
Farmer's share (%)	70	68	66	64	70	68	70	65	68	67
Bread, white:										
Retail price (cts./lb.)	27.6	34.5	36.0	36.2	35.1	35.5	35.2	35.2	35.1	35.3
Farm value (cts./0.867 lb. wheat)	4.1	5.4	4.5	4.1	4.1	4.1	4.5	4.5	4.3	4.2
Farm value (cts. for all farm ingredients)	5.5	8.0	6.8	6.2	5.9	6.0	6.3	6.4	6.1	6.1
Farm-retail spread (cts.)	22.1	26.5	29.2	30.0	29.2	29.5	28.9	28.8	29.0	29.2
Farmer's share (%)	20	23	19	17	17	17	18	18	17	17
Lettuce:										
Retail price (cts./head)	41.8	42.3	41.5	39.4	44.3	43.7	39.2	38.2	40.7	44.9
Farm value (cts./1.88 lbs.)	14.2	13.2	13.8	9.4	16.6	17.5	10.3	18.1	15.4	11.3
Farm-retail spread (cts.)	27.6	29.1	27.7	30.0	27.7	26.2	28.9	20.1	25.3	33.6
Farmer's share (%)	34	31	33	24	37	40	26	47	38	25
Potatoes:										
Retail price (cts./10 lbs.)	136.6	166.4	134.4	112.0	138.9	139.4	156.2	154.1	159.8	166.0
Farm value (cts./10.42 lbs.)	44.4	59.4	45.4	37.1	43.4	47.1	50.0	51.6	54.5	54.8
Farm-retail spread (cts.)	92.2	107.0	89.0	74.9	95.5	92.3	106.2	102.5	105.3	111.2
Farmer's share (%)	32	36	34	33	31	34	32	33	34	33
Tomatoes:										
Retail price (cts./lb.)	48.2	54.8	57.8	55.2	61.4	60.5	54.2	57.4	66.2	60.3
Farm value (cts./1.18 lbs.)	19.8	21.0	23.8	20.0	24.8	22.9	17.4	25.6	27.9	16.3
Farm-retail spread (cts.)	28.4	33.8	34.0	35.2	36.6	37.6	36.8	31.8	38.3	44.0
Farmer's share (%)	41	38	41	36	40	38	32	45	42	27
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	25.0	25.9	28.2	27.9	29.0	29.2	29.2	29.1	29.2	29.2
Farm value (cts./3.08 lbs.)	8.6	9.2	8.6	7.9	8.8	9.2	9.7	10.3	10.9	11.0
Farm-retail spread (cts.)	16.4	16.7	19.6	20.0	20.2	20.0	19.5	18.8	18.3	18.2
Farmer's share (%)	34	36	30	28	30	31	33	35	37	38
Margarine:										
Retail price (cts./lb.)	37.4	57.4	62.9	63.4	57.5	56.6	54.3	53.5	51.7	51.6
Farm value (cts. for veg. oil and NFDM)	14.0	27.8	21.0	19.2	14.3	14.4	14.3	14.5	14.6	13.4
Farm-retail spread (cts.)	23.4	29.6	41.9	44.2	43.2	42.2	40.0	39.0	37.1	28.2
Farmer's share (%)	37	48	33	30	25	25	26	27	28	26

[1] For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61 and selected items. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. Data are preliminary. [2] Composite monthly average prices of all cuts adjusted for volume sold at special prices-derived from BLS and food chain prices. [3] For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. [4] Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. [5] Represents charges made for livestock marketing, processing, and transportation to city where consumed.

LIVESTOCK AND PRODUCTS: PRICES, SUPPLIES AND USE

Dairy:

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Milk production:										
Total milk (mil. lb.)	115,385	115,553	115,458	10,818	9,284	9,545	9,248	10,250	10,450	11,184
Milk per cow (lb.)	10,114	10,300	10,354	968	837	862	835	926	944	1,011
Number of milk cows (thou.)	11,409	11,219	11,151	11,172	11,091	11,079	11,072	11,072	11,072	11,061
Milk prices, Minnesota-Wisconsin, 3.5% fat ($/cwt.)[1]	6.30	7.06	7.62	7.02	9.08	8.90	8.25	8.60	8.44	8.30
Price of 16% dairy ration ($/ton)	113	138	134	132	134	136	136	136	135	137
Milk-feed price ratio (lb.)[2]	1.46	1.34	1.39	1.30	1.70	1.75	1.66	1.64	1.60	1.53
Stocks, beginning										
Total milk equiv. (mil. lb.)[3]	5,498	5,207	5,886	5,715	4,053	3,844	3,751	3,957	4,306	4,850
Commercial (mil. lb.)	3,493	4,732	5,576	5,028	3,866	3,719	3,659	3,889	4,225	4,766
Government (mil. lb.)	2,005	476	310	688	187	124	92	68	81	84
Imports, total milk equiv. (mil. lb.)[3]	3,859	2,923	1,669	72	239	156	126	139	111	–
USDA net removals:										
Total milk equiv. (mil. lb.)[3]	2,185	1,346	2,036	558.9	3.9	5.0	5.8	4.7	20.4	14.7
Butter:										
Production (mil. lb.)	918.6	961.7	980.5	101.6	84.0	94.3	85.4	89.3	87.6	–
Stocks, beginning (mil. lb.)	107.5	46.4	49.2	66.7	15.1	10.9	9.3	16.5	31.2	44.5
Wholesale price, Grade A Chicago (cts./lb.)	69.8	65.7	79.4	69.2	103.6	86.1	80.9	86.0	89.5	89.9
USDA net removals (mil. lb.)	97.7	32.7	63.4	21.8	0	0	0	0	.4	0
Commercial disappearance (mil. lb.)	855.6	929.9	947.7	77.8	86.1	96.3	77.2	75.3	76.4	–
American cheese:										
Production (mil. lb.)	1,672.5	1,858.6	1,654.5	170.3	134.8	149.3	149.7	165.8	187.2	–
Stocks, beginning (mil. lb.)	269.4	290.3	420.9	380.2	322.4	307.8	303.4	305.9	312.7	333.8
Wholesale price, Wisconsin assembly pt. (cts./lb.)	72.6	79.9	86.6	80.6	101.7	100.4	90.0	94.4	96.9	94.9
USDA net removals (mil. lb.)	3.2	60.3	68.2	10.6	0	0	0	0	.5	1.1
Commercial disappearance (mil. lb.)	1,677.1	1,780.6	1,717.0	150.0	151.0	153.4	147.8	159.0	157.1	–
Other cheese:										
Production (mil. lb.)	1,012.8	1,078.8	1,156.7	100.7	107.2	99.7	91.5	109.1	109.8	–
Stocks, beginning (mil. lb.)	62.0	67.5	73.1	61.3	57.9	60.8	59.2	60.0	58.5	59.3
Commercial disappearance (mil. lb.)	1,210.2	1,276.5	1,331.8	108.6	129.9	112.4	100.6	120.6	120.5	–
Nonfat dry milk:										
Production (mil. lb.)	916.6	1,019.9	994.0	126.3	66.8	67.0	71.1	78.4	87.6	–
Stocks, beginning (mil. lb.)	44.9	74.6	293.2	328.4	473.3	468.9	453.6	460.3	475.6	442.0
Wholesale price, avg. manf. (cts./lb.)	46.4	58.6	63.3	60.5	70.5	65.9	64.3	63.5	63.1	–
USDA net removals (mil. lb.)	36.8	265.0	394.5	73.9	[4].2	6.7	6.6	5.9	5.6	16.0
Commercial disappearance (mil. lb.)	1,110.1	809.9	689.5	41.7	57.1	64.4	58.4	66.8	63.8	–
Frozen dessert production (mil. gal.)[5]	1,118.6	1,128.0	1,176.0	112.7	77.0	74.3	77.4	102.0	99.9	–

[1] Manufacturing grade milk. [2] Pounds of ration equal in value to 1 lb. of milk. [3] Milk equivalent, fat-solids basis. [4] Domestic unrestricted sales exceeded purchases. [5] Ice cream, ice milk, and sherbet.

Meat animals:

Items	Annual			1975		1976				
Cattle on feed (7-States)	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Number on feed (thou. head)[1]	9,884	9,353	6,369	5,589	8,252	8,533	8,353	8,117	7,525	7,519
Placed on feed (thou. head)[2]	18,382	15,861	18,090	1,532	1,593	1,372	1,399	1,397	1,617	1,324
Marketings (thou. head)	18,913	17,380	14,987	1,172	1,202	1,462	1,517	1,857	1,502	1,489
Other disappearance (thou. head)	—	1,465	939	108	110	90	118	132	121	100
Beef steer-corn price ratio, Omaha (bu.)[3]	22.6	13.7	15.8	17.6	17.6	16.0	14.9	13.8	16.6	14.8
Hog-corn price ratio, Omaha (bu.)[3]	19.3	11.6	17.2	16.4	18.5	18.6	18.6	17.7	18.3	17.7
Commercial slaughter (thou. head)										
Cattle	33,687	36,812	40,911	2,149	3,632	3,762	3,336	3,813	3,354	—
Steers	18,322	19,680	17,819	1,508	1,366	1,493	1,438	1,762	1,506	—
Heifers	8,441	8,798	10,438	756	925	1,072	988	1,174	999	—
Cows	6,248	7,514	11,557	794	1,250	1,114	837	797	765	—
Bulls and stags	676	820	1,098	91	91	83	73	80	84	—
Calves	2,249	2,987	5,209	371	489	466	408	496	419	—
Sheep and lambs	9,597	8,847	7,835	638	607	601	528	587	590	—
Hogs	76,795	81,762	68,687	5,692	5,839	5,698	5,122	6,612	6,087	—
Commercial production (mil. lb.)										
Beef	21,088	22,844	23,673	1,849	2,056	2,207	1,966	2,318	2,017	—
Veal	325	442	827	59	76	73	62	71	59	—
Lamb and mutton	504	454	399	31	32	33	29	33	32	—
Pork	12,578	13,583	11,314	934	995	953	850	1,092	1,003	—
Market prices				Dol. per 100 pounds						
Slaughter cattle:										
Choice steers, Omaha	44.54	41.89	44.61	49.48	45.01	41.18	38.80	36.14	43.12	40.62
Utility cows, Omaha	32.82	25.56	21.09	23.55	21.64	23.26	25.90	27.45	30.72	30.24
Choice vealers, S. St Paul	64.08	49.63	40.44	40.56	43.52	51.90	50.05	50.58	49.49	44.95
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	53.17	37.88	33.91	35.50	37.83	37.46	40.42	39.69	44.62	44.21
Slaughter hogs:										
Barrows and Gilts, No. 1&2, Omaha[4]	41.25	36.85	50.12	47.51	50.20	50.24	49.68	47.23	48.86	49.78
Barrows and Gilts, 7-markets	40.27	35.12	48.32	46.44	48.33	48.40	48.85	46.71	47.89	48.89
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.75	25.13	44.80	44.00	44.19	48.38	50.16	48.80	51.28	44.57
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	38.20	40.51	44.45	47.62	48.75	49.25	49.00	56.25	62.95	62.12
Ewes, Good, San Angelo	16.76	15.74	15.34	15.44	17.44	17.75	16.12	18.90	18.44	19.75
Feeder lambs:										
Choice, San Angelo	37.17	36.52	41.40	43.00	48.38	48.38	49.69	56.30	62.71	59.56
Wholesale meat prices, Midwest[5]										
Choice steer beef, 600-700 lb.	67.62	67.76	72.55	80.60	73.25	66.68	62.22	56.97	65.85	63.56
Canner and Cutter cow beef	65.78	53.48	42.90	46.44	44.61	49.12	53.25	56.44	60.48	59.12
Pork loins, 8-14 lb.	76.83	73.60	92.69	92.49	90.46	97.80	95.36	85.25	87.60	94.67
Pork bellies, 12-14 lb.	59.52	52.04	78.52	73.27	69.13	75.06	67.37	67.48	73.62	73.04
Hams, skinned, 14-17 lb.	70.20	64.11	84.06	74.89	101.81	83.43	80.68	85.48	84.19	82.86

	Annual			1975				1976		
Cattle on feed (23-States):	1973	1974	1975	I	II	III	IV	I	II	III
Number on feed (thou. head)[1]	13,861	13,067	9,619	9,619	8,473	8,542	9,301	12,296	10,872	
Placed on feed (thou. head)[2]	24,510	22,046	24,650	4,758	5,550	6,025	8,317	5,439	—	
Marketings (thou. head)	25,304	23,330	20,494	5,512	5,028	5,014	4,940	6,350	[7]5,957	
Other disappearance (thou. head)	—	2,164	1,479	392	453	252	382	513	—	
Hogs and pigs (14-States):[6]										
Inventory (thou. head)[1]	50,616	52,825	47,170	47,170	40,330	40,955	41,535	41,855	40,865	44,918
Breeding (thou. head)[1]	7,415	7,445	6,283	6,283	6,080	6,191	6,011	6,368	6,706	6,916
Market (thou. head)[1]	43,201	45,380	40,887	40,887	34,250	34,764	35,524	35,487	34,159	38,002
Farrowings (thou. head)	10,674	10,207	8,397	1,778	2,428	2,088	2,103	2,047	2,815	[7]2,415
Pig crop (thou. head)	76,037	71,958	60,211	12,540	17,469	15,020	15,182	14,552	20,743	

[1] Beginning of period. [2] Other disappearance excluded in 1973; not comparable with 1974 and 1975. [3] Bushels of corn equal in value to 100 pounds liveweight. [4] 220-240 lb. [5] Prior to Oct. 1975, Chicago; annual 1975 midwest markets. [6] Annual is Dec. preceding year to Nov. listed; quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). [7] Intentions.

Poultry and eggs:

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Eggs										
Farm production (mil.)	66,568	65,927	64,341	5,425	5,508	5,518	5,191	5,561	5,333	5,452
Average number of layers on farms (mil.)	293	286	276	272	280	280	280	277	273	270
Rate of lay (eggs per layer)	228	231	233	19.9	19.7	19.7	18.6	20.0	19.6	20.2
Wholesale price, New York, grade A large (cts./doz.)	59.8	58.2	57.8	49.3	71.8	68.4	60.6	56.8	55.4	58.4
Price of laying feed ($/ton)	137	154	147	145	143	143	143	145	144	146
Egg-feed price ratio (lb.)[1]	7.9	7.0	7.2	6.5	9.0	8.7	8.4	7.5	7.4	7.6
Stocks, beginning of period:										
Shell (thou. cases)	41	34	36	26	40	23	13	21	26	26
Frozen (mil. lb.)	68.1	43.2	54.2	42.8	42.2	36.3	31.7	28.7	29.3	29.4
Replacement chicks hatched (mil.)	534.3	473.4	453.8	48.0	30.7	35.7	39.2	49.1	50.8	47.6
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,786.1	7,916.8	7,966.1	690.1	691.4	712.3	632.3	771.9	742.5	—
Wholesale price, 9-city, (cts./lb.)	42.2	38.2	45.1	42.9	41.8	41.9	42.7	41.9	41.0	42.1
Price of broiler grower feed ($/ton)	152	169	163	161	160	158	160	160	159	161
Broiler-feed price ratio (lb.)[1]	3.3	2.6	3.2	3.1	3.0	3.1	3.2	3.0	3.0	3.1
Stocks, beginning of period (mil. lb.)	29.1	33.4	37.2	27.8	21.5	22.3	20.2	19.4	18.9	19.0
Average weekly placements of broiler chicks, 21 States (mil.)	58.1	56.5	57.7	60.2	58.5	60.2	61.5	66.3	68.3	67.8
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,787.9	1,835.8	1,716.1	81.9	157.5	76.3	61.7	68.6	79.9	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	58.8	47.2	53.2	51.6	52.6	47.1	49.7	51.7	48.2	48.9
Price of turkey grower feed ($/ton)	158	173	167	164	165	165	165	165	162	165
Turkey-feed price ratio (lb.)[1]	4.8	3.2	4.0	3.8	4.4	4.1	3.9	3.9	3.9	3.9
Stocks, beginning of period (mil. lb.)	208.1	281.0	275.0	180.2	286.2	195.2	187.1	159.9	140.0	114.5
Poults hatched (mil.)	145.6	140.0	137.1	19.1	7.9	10.5	13.7	18.5	19.7	20.2

[1] Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Wool:

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
U.S. wool price, Boston[1] (cts./lb.)	250	176	150	151	178	178	178	174	176	178
Imported wool price, Boston[2] (cts./lb.)	298	213	176	188	179	178	175	([3])	([3])	185
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	109,872	74,856	94,117	7,764	8,983	8,929	8,742	11,996	9,053	—
Carpet wool (thou. lb.)	41,394	18,595	15,908	1,084	1,233	1,200	1,163	1,357	839	—

[1] Clean basis; territory fine good French combing and staple. [2] Clean basis; Australian 64's combing, excl. duty. [3] No quotes due to strike.

CROPS AND PRODUCTS: PRICES, SUPPLIES AND USE

Supply and utilization of major crops[1]

Commodity	Domestic measure[2]					Metric measure[2]				
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected		1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	
Wheat:										
	Mil. acres					Mil. hectares				
Area										
Set aside	7.4	—	—	—		3.0	—	—	—	
Planted	59.0	71.4	75.1	78.4		23.9	28.9	30.4	31.7	
Harvested	53.9	65.6	69.7	67.9		21.8	26.5	28.2	27.5	
	Bu. per acre					Metric tons per hectare				
Yield per harvested unit	31.7	27.4	30.6	28.7	±1.0	2.13	1.84	2.06	1.96	±.07
	Mil. bu.					Mil. metric tons				
Beginning stocks	599	339	430	665		16.3	9.2	11.7	18.1	
Production	1,705	1,796	2,134	1,950	±75	46.4	48.9	58.1	53.1	±2.0
Imports	1	3	2	2		(6)	.2	.1	.1	
Supply, total	2,307	2,138	2,566	2,617	±75	62.8	58.2	69.8	71.2	±2.0
Domestic	751	690	726	735	±35	20.4	18.8	19.8	20.0	±1.0
Exports	1,217	1,018	1,175	1,050	±100	33.1	27.7	32.0	28.6	±2.7
Use, total	1,968	1,708	1,901	1,785	±90	53.6	46.5	51.7	48.6	±2.4
Ending stocks	339	430	665	832	±125	9.2	11.7	18.1	22.6	±3.4
	Dol. per bu.					Dol. per metric ton				
Price received by farmers	3.95	4.09	[3]3.52	—		145.14	150.28	[3]129.34	—	
Price, Kansas City, No. 1 HRW	4.51	4.20	[4]3.74	—		165.71	154.32	[4]137.42	—	
Rice:										
	Mil. acres					Mil. hectares				
Area										
Allotment	2.22	2.10	1.80	1.80		.90	.85	.73	.73	
Planted	2.18	2.56	2.82	2.36		.88	1.04	1.14	.96	
Harvested	2.17	2.54	2.80	2.34		.88	1.03	1.13	.95	
	Lb. per acre					Metric tons per hectare				
Yield per harvested unit	4,274	4,432	4,555	4,640	±100	4.790	4.968	5.105	5.201	±.112
	Mil. cwt.					Mil. metric tons				
Beginning stocks	5.1	7.8	7.1	34.2		.23	.35	.32	1.55	
Production	92.8	112.4	127.6	108.6	±3.0	4.21	5.10	5.79	4.93	±.14
Imports	.2	—	—	—		.01	—	—	—	
Supply, total	98.1	120.2	134.7	142.8	±3.0	4.45	5.45	6.11	6.48	±.14
Domestic	37.0	40.2	41.8	43.5	±1.0	1.68	1.82	1.90	1.97	±.05
Exports	49.7	69.5	58.7	56.6	±5.0	2.25	3.16	2.66	2.57	±.23
Use, total	86.7	109.7	100.5	100.1	±5.0	3.93	4.98	4.56	4.54	±.23
Ending stocks	7.8	7.1	34.2	42.7	±7.0	.35	.32	1.55	1.94	±.32
Difference unaccounted	+3.6	+3.4	—	—		.17	.15	—	—	
	Dol. per cwt.					Dol. per metric ton				
Price received by farmers	13.80	11.20	[3]7.93	—		304.24	246.92	[3]174.83	—	
Price, long-grain milled, S.W. La.	30.42	21.50	[4]17.38	—		670.65	473.99	[4]383.16	—	

See footnotes at end of table.

Supply and utilization of major crops[1] —Continued

Commodity	Domestic measure[2]					Metric measures[2]				
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected		1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	
Feed grains:[5]										
	Mil. acres					Mil. hectares				
Area										
Set aside	9.4	—	—	—		3.8	—	—	—	
Planted	121.4	122.4	123.1	126.6		49.1	49.5	49.8	51.2	
Harvested	102.4	100.6	104.8	107.0		41.4	40.7	42.4	43.3	
	Short tons per acre					Metric tons per hectare				
Yield per harvested unit	2.00	1.64	1.93	2.05	±.13	4.49	3.69	4.33	4.59	±.26
	Mil. short tons					Mil. metric tons				
Beginning stocks	33.9	23.7	16.8	17.5		30.8	21.5	15.3	16.0	
Production	205.0	165.3	202.4	219.3	±12	186.0	150.0	183.6	198.9	±10.9
Imports	.2	.5	.5	.3		.2	.5	.5	.2	
Supply, total	239.1	189.5	219.7	237.1	±12	216.9	172.0	199.4	215.1	±10.9
Feed	153.3	115.6	130.1	143.6	±7	139.1	104.9	118.0	130.3	±6.4
Food, seed, and industrial uses	17.6	17.7	18.1	18.8		16.0	16.1	16.4	17.1	
Domestic, total	170.9	133.3	148.2	162.4	±7	155.0	121.0	134.4	147.4	±6.4
Exports	44.5	39.4	54.0	44.7	±5	40.4	35.7	49.0	40.6	±4.5
Use, total	215.4	172.7	202.2	207.1	±10	195.4	156.7	183.4	188.0	±9.1
Ending stocks	23.7	16.8	17.5	30.0	±10	21.5	15.3	16.0	27.1	±9.1
Corn:										
	Mil. acres					Mil. hectares				
Area										
Set aside	6.0	—	—	—		2.4	—	—	—	
Planted	71.9	77.8	77.9	82.7		29.1	31.5	31.5	33.5	
Harvested	61.9	65.4	66.9	71.7		25.0	26.5	27.1	29.0	
	Bu. per acre					Metric tons per hectare				
Yield per harvested unit	91.2	71.4	86.2	89.0	±5	5.73	4.47	5.41	5.59	±.31
	Mil. bu.					Mil. metric tons				
Beginning stocks	709	483	359	362		18.0	12.3	9.2	9.3	
Production	5,647	4,664	5,767	6,381	±350	143.4	118.5	146.5	162.1	±8.9
Imports	1	2	1	1		(6)	.1	(6)	(6)	
Supply, total	6,357	5,149	6,127	6,744	±350	161.4	130.9	155.7	171.4	±8.9
Feed	4,193	3,191	3,650	4,115	±200	106.4	81.1	92.7	104.5	±5.1
Food, seed, and industrial uses	438	450	465	485		11.1	11.4	11.8	12.3	
Domestic, total	4,631	3,641	4,115	4,600	±200	117.5	92.5	104.5	116.8	±5.1
Exports	1,243	1,149	1,650	1,350	±150	31.6	29.2	41.9	34.3	±3.8
Use, total	5,874	4,790	5,765	5,950	±300	149.1	121.7	146.4	151.1	±7.6
Ending stocks	483	359	362	794	±300	12.3	9.2	9.3	20.3	±7.6
	Dol. per bu.					Dol. per metric ton				
Price received by farmers	2.55	3.03	[3]2.46	—		100.39	119.28	[3]96.85	—	
Price, Chi., No. 2 yellow	2.95	3.12	[4]2.68	—		116.14	122.83	[4]105.51	—	

See footnotes at end of table.

Supply and utilization of major crops[1] —Continued

Commodity	Domestic Measure[2]					Metric Measure[2]				
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected		1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	
Cotton:[7]										
	Mil. acres					Mil. hectares				
Area										
Set aside	—	—	—	—		—	—	—	—	
Planted	12.5	13.7	9.7	11.3		5.1	5.5	3.9	4.6	
Harvested	12.0	12.6	9.1	([8])		4.8	5.1	3.7	([8])	
	Lb. per acre					Metric tons per hectare				
Yield per harvested unit	520	441	441	([8])		.58	.49	.49	([8])	
	Mil. 480-lb. bales					Mil. metric tons				
Beginning stocks	[9]4.2	[9]3.8	[9]5.7	3.5		.9	.8	1.2	.8	
Production	13.0	11.5	8.3	([8])		2.8	2.5	1.8	([8])	
Supply, total[10]	17.2	15.4	14.1	—		3.8	3.3	3.1	—	
Mill use	7.5	5.9	7.3	7.0	±.5	1.6	1.3	1.6	1.5	±.1
Exports	6.1	3.9	3.5	4.0	±.5	1.3	.9	.8	.9	±.1
Use, total	13.6	9.8	10.8	11.0	±1.0	3.0	2.1	2.4	2.4	±.2
Difference unaccounted[11]	.2	.1	.2	—		([6])	([6])	([6])	—	
Ending stocks	[9]3.8	[9]5.7	3.5	—		.8	1.2	.8	—	
	Cts. per lb.					Cts. per kilogram				
Price received by farmers	44.4	42.7	[4]49.9	—		97.9	94.1	[4]110.0	—	
Price, SLM, 1-1/16 in., spot	67.1	41.7	[4]54.4	—		147.9	91.9	[4]119.9	—	
Soybeans:										
	Mil. acres					Mil. hectares				
Area										
Planted	56.7	53.5	54.6	49.3		22.9	21.7	22.1	20.0	
Harvested	55.8	52.4	53.6	48.3		22.6	21.2	21.7	19.5	
	Bu. per acre					Metric tons per hectare				
Yield per harvested unit	27.7	23.2	28.4	28.0	±1.5	1.86	1.56	1.91	1.88	±.1
	Mil. bu.					Mil. metric tons				
Beginning stocks	60	171	185	200		1.7	4.7	5.0	5.4	
Production	1,547	1,215	1,521	1,350	±70	42.1	33.1	41.4	36.7	±1.9
Supply, total	1,607	1,386	1,706	1,550	±70	43.8	37.8	46.4	42.2	±1.9
Crushings	821	701	865	835	±30	22.3	19.1	23.5	22.7	±.8
Exports	539	421	565	535	±30	14.7	11.5	15.4	14.6	±.8
Seed, feed, and residual	76	79	76	80		2.1	2.2	2.1	2.2	
Use, total	1,436	1,201	1,506	1,450	±60	39.1	32.8	41.0	39.5	±1.6
Ending stocks	171	185	200	100	±30	4.7	5.0	5.4	2.7	±.8
	Dol. per bu.					Dol. per metric ton				
Price received by farmers	5.68	6.64	[3]4.60	—		208.70	243.98	[3]169.02	—	
Price, Chi., No. 1 yellow	6.12	6.33	[4]4.86	—		224.81	232.59	[4]178.57	—	

See footnotes at end of table.

Supply and utilization of major crops[1] —Continued

Commodity	Domestic measure[2]					Metric measure[2]				
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected		1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	
Soybean oil:	Mil. lb.					Thou. metric tons				
Beginning stocks	516	794	561	1,245		234	360	254	565	
Production	8,995	7,376	9,384	8,935	±375	4,080	3,346	4,257	4,053	±170
Supply, total	9,511	8,170	9,945	10,180	±375	4,314	3,706	4,511	4,618	±170
Domestic	7,282	6,581	7,800	7,700	±200	3,303	2,985	3,538	3,493	±91
Exports	1,435	1,028	900	1,000	±200	651	466	408	454	±91
Use, total	8,717	7,609	8,700	8,700	±400	3,954	3,451	3,946	3,946	±181
Ending stocks	794	561	1,245	1,480	±400	360	254	565	671	±181
	Cts. per lb.					Cts. per kilogram				
Price, crude, Decatur	31.5	30.7	[4] 17.3	—		69.4	67.7	[4] 38.1	—	
Soybean meal:	Thou. short tons					Thou. metric tons				
Beginning stocks	183	507	358	330		166	460	325	299	
Production	19,674	16,702	20,372	19,830	±1,000	17,848	15,152	18,481	17,989	±907
Supply, total	19,857	17,209	20,730	20,160	±1,000	18,014	15,612	18,806	18,289	±907
Domestic	13,802	12,552	15,400	15,000	±700	12,521	11,387	13,971	13,608	±635
Exports	5,548	4,299	5,000	4,750	±300	5,033	3,900	4,536	4,309	±272
Use, total	19,350	16,851	20,400	19,750	±1,000	17,554	15,287	18,507	17,917	±907
Ending stocks	507	358	330	410	±200	460	325	299	372	±181
	Dol. per short ton					Dol. per metric ton				
Price, bulk, Decatur, 44%	146.35	130.86	[4] 129.90	—		161.32	144.25	[4] 143.19	—	

[1] Marketing years beginning June 1 for wheat, barley, and oats, August 1 for cotton, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. [2] Conversions between measures may not exactly convert or add due to rounding. Conversion factors: Hectare (ha.) = 2.471 acres; and 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. [3] Season average estimate. [4] Average for beginning of marketing year through May 1976. [5] Corn, sorghum, oats, and barley. [6] Less than 0.05. [7] Upland and extra long staple. [8] USDA is prohibited from estimating production before release of August Crop Production Report. [9] Based on Census Bureau data. [10] Includes imports. [11] Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution.

World supply and utilization of major crops

Commodity	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76[1]	1976/77[2]
				Mil. units			
Wheat:							
Area (hectare)	204.9	210.0	207.2	214.2	217.5	222.4	227.5
Production (metric ton)	316.2	348.5	344.0	372.3	356.6	349.6	371.0
Exports (metric ton)	56.3	57.8	72.2	70.7	68.6	73.4	71.0
Consumption (metric ton)[3]	337.7	344.4	364.5	367.5	359.1	347.5	356.7
Ending stocks (metric ton)[4]	75.6	79.7	59.2	64.0	61.5	63.6	77.9
Feed grains:							
Area (hectare)	339.7	340.8	338.5	350.5	347.9	359.3	366.9
Production (metric ton)	569.5	622.0	603.0	660.4	620.1	631.9	691.9
Exports (metric ton)	53.4	55.7	69.0	80.8	69.3	84.5	74.0
Consumption (metric ton)[3]	587.1	606.8	621.8	662.7	626.7	635.3	675.4
Ending stocks (metric ton)[4]	61.0	76.2	57.4	55.1	48.5	45.1	60.8
Rice, milled basis:							
Area (hectare)	131.3	131.6	130.1	134.8	137.2	141.2	142.0
Production (metric ton)	210.2	212.4	204.4	219.5	223.3	238.3	241.1
Exports (metric ton)	7.5	8.0	8.3	7.9	7.4	7.3	7.5
Consumption (metric ton)[3]	209.2	215.3	209.5	218.4	224.4	233.8	239.0
Ending stocks (metric ton)[4]	19.1	16.2	11.1	12.2	11.1	15.6	17.7
Total grains:							
Area (hectare)	675.9	682.4	675.6	699.5	702.6	722.9	736.4
Production (metric ton)	1,095.9	1,182.9	1,151.4	1,252.2	1,200.0	1,219.8	1,303.2
Exports (metric ton)	117.2	121.5	149.5	159.4	145.3	165.2	152.5
Consumption (metric ton)[3]	1,134.0	1,166.5	1,195.8	1,248.6	1,210.2	1,216.6	1,271.1
Ending stocks (metric ton)[4]	155.7	172.1	127.7	131.3	121.1	124.3	156.4
Oilseeds and meals:[5]							
Production (metric ton)	54.7	55.6	57.1	67.3	62.5	70.4	–
Trade (metric ton)	24.6	25.8	25.8	27.6	27.3	30.3	–
Vegetable fats and oils:							
Production (metric ton)	27.8	29.1	28.4	31.8	31.0	33.8	–
Trade (metric ton)	9.1	9.9	9.9	10.0	10.6	11.6	–

[1] Estimate. [2] Forecast. [3] Where stock data not available (excluding USSR), consumption includes stock changes. [4] Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. [5] Soybean meal equivalent.

Food grains:

	Marketing year[1]			1975		1976				
	1972/73	1973/74	1974/75	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City ($/bu.)[2]	2.23	4.51	4.20	3.34	3.50	3.57	3.81	3.81	3.61	3.57
Wheat, DNS, Minneapolis ($/bu.)[2]	2.07	4.42	4.57	3.96	3.50	3.55	3.66	3.62	3.47	3.56
Flour, Kansas City ($/cwt.)	6.58	10.30	10.19	8.55	8.99	8.96	9.35	9.56	9.06	8.71
Flour, Minneapolis ($/cwt.)	6.96	10.60	11.40	9.86	10.15	10.15	10.21	10.71	10.25	10.08
Rice, S.W. La. ($/cwt.)[3]	14.35	30.42	21.50	20.00	17.60	17.40	16.50	15.50	15.30	16.60
Wheat:										
Exports (mil. bu.)	1,131	1,217	1,018	70	95	94	74	79	81	–
Mill grind (mil. bu.)	557	551	538	46	46	47	45	49	47	–
Wheat flour production (mil. cwt.)	250	247	239	20	21	21	20	22	21	–

	Marketing year[1]			1975				1976		
	1972/73	1973/74	1974/75	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	985	599	339	1,108	662	430	1,891	1,384	936	665
Domestic use:										
Food (mil. bu.)	527	530	521	123	89	186	143	140	91	–
Feed and seed (mil. bu.)[4]	274	221	169	68	-7	59	22	61	24	–
Exports (mil. bu.)	1,131	1,217	1,018	255	150	429	343	247	156	–

[1] Beginning June 1 for wheat and August 1 for rice. [2] Ordinary protein. [3] Long-grain, milled basis. [4] Feed use approximated by residual. Note change in wheat marketing year to June-May.

Feed grains:

	Marketing year[1]			1975		1976				
	1972/73	1973/74	1974/75	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Corn, No. 2 yellow, Chicago ($/bu.)	1.91	2.95	3.12	2.82	2.59	2.62	2.70	2.68	2.68	2.84
Sorghum, No. 2 yellow, Kansas City ($/cwt.)	3.24	4.64	5.01	4.60	4.33	4.36	4.47	4.62	4.47	4.47
Barley, feed, Minneapolis ($/bu.)[2]	1.17	2.03	2.58	2.05	2.23	2.11	2.26	2.38	2.39	2.50
Barley, malting, Minneapolis ($/bu.)[2]	1.43	2.67	4.16	4.28	3.35	3.24	3.21	3.22	3.17	3.22
Exports:										
Corn (mil. bu.)	1,258	1,243	1,149	75	154	138	137	130	165	[4]147
Feed grains (mil. short tons)[3]	43.1	44.5	39.4	4.4	5.2	4.7	4.4	4.2	5.2	[4]4.2

	Marketing year[1]			1975				1976		
	1972/73	1973/74	1974/75	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn:										
Stocks, beginning (mil. bu.)	1,126	709	483	3,621	2,214	1,492	359	4,431	2,812	1,857
Domestic use:										
Feed (mil. bu.)	4,304	4,183	3,191	916	458	668	1,130	1,100	553	–
Food, seed, ind. (mil. bu.)	429	448	450	111	86	147	112	115	90	–
Feed grains:[3]										
Stocks, beginning (mil. short tons)	50.0	33.9	23.7	125.6	76.3	51.2	29.3	152.0	95.3	–
Domestic use:										
Feed (mil. short tons)	156.4	153.3	115.6	32.5	15.7	24.7	41.1	39.2	19.1	–
Food, seed, ind. (mil. short tons)	17.0	17.6	17.7	4.3	3.8	5.6	4.1	4.3	4.0	–

[1] Beginning October 1 for corn and sorghum; June 1 for oats and barley. [2] No. 3 or better. [3] Aggregated data for corn, sorghum, oats and barley. Note change in oats and barley marketing year to June-May. [4] Based on inspections for export.

Fats and oils:

	Marketing year[1]			1975		1976				
	1972/73	1973/74	1974/75	May	Dec	Jan	Feb	Mar	Apr	May
Soybeans:										
Wholesale price, No. 1 yellow, Chicago ($/bu.)	6.27	6.12	6.33	5.23	4.59	4.65	4.74	4.66	4.71	5.21
Crushings (mil. bu.)	721.8	821.3	700.5	53.0	77.8	74.9	69.3	77.4	76.9	–
Processing margin ($/bu.)[2]	.59	.72	.13	.03	.14	.08	.10	.10	.06	–
Exports (mil. bu.)	479.4	539.1	420.7	25.1	49.6	51.8	52.2	52.3	50.5	–
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	16.5	31.5	30.7	23.6	16.8	16.2	16.3	16.6	16.3	15.8
Production (mil. lb.)	7,501.0	8,994.7	7,376.2	557.6	846.7	807.4	757.6	852.4	843.7	–
Domestic disappearance (mil. lb.)	6,685.0	7,255.4	6,518.5	533.5	661.5	723.4	562.2	723.1	671.0	–
Exports (mil. lb.)	1,065.6	1,435.2	1,028.3	78.6	40.5	32.6	120.2	89.8	55.5	–
Stocks, beginning (mil. lb.)	785.0	515.5	793.5	662.2	657.7	799.9	844.8	913.2	946.1	1,053.7
Soybean meal:										
Wholesale price, 44% protein, Decatur ($/ton)	229.00	146.35	130.86	118.50	125.10	128.25	132.60	127.90	127.10	152.25
Production (thou. ton)	16,708.8	19,674.4	16,701.5	1,245.4	1,807.8	1,748.3	1,616.5	1,820.0	1,825.5	–
Domestic disappearance (thou. ton)	11,920.5	13,766.3	12,501.3	1,048.9	1,441.9	1,198.3	1,182.6	1,383.2	1,177.6	–
Exports (thou. ton)	4,744.8	5,547.6	4,298.8	218.9	426.6	543.3	392.5	498.0	644.4	–
Stocks, beginning (thou. ton)	191.7	183.2	507.3	470.5	441.4	371.4	378.1	419.5	358.3	361.8
Margarine, wholesale price, Chicago (cts./lb.)	30.2	44.3	37.9	39.5	31.2	31.0	31.0	31.0	31.0	30.8

[1] Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1973, 1974 and 1975 for margarine. [2] Spot basis, Illinois shipping points.

Fruit:

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May[1]
Wholesale price indexes:										
Fresh fruit (1967=100)	135.6	144.0	157.8	167.7	151.5	154.7	158.8	150.9	160.1	152.7
Dried fruit (1967=100)	209.2	247.3	213.4	210.9	207.4	207.8	207.8	209.4	210.3	210.3
Canned fruit and juice (1967=100)	134.0	159.7	173.8	175.7	170.8	169.5	169.2	169.2	169.3	171.2
Frozen fruit and juice (1967=100)	137.3	144.0	156.5	155.2	161.1	161.1	159.4	159.4	161.9	161.9
F.o.b. shipping point prices:[1]										
Apples, Yakima Valley ($/ctn.)[2]	n.a.	n.a.	n.a.	8.60	5.98	5.95	6.69	7.22	6.92	6.07
Pears, Yakima Valley ($/box)[3]	n.a.	n.a.	n.a.	n.a.	6.98	7.42	7.73	8.27	8.50	n.a.
Oranges, U.S. avg. ($/box)	6.26	6.77	6.74	6.49	7.00	6.95	6.10	6.16	6.06	5.93
Grapefruit, U.S. avg. ($/box)	5.78	5.55	6.17	6.95	5.64	5.59	5.54	5.57	5.46	6.00
Stocks, beginning:										
Fresh apples (mil. lb.)	1,737.6	2,074.2	2,214.1	434.8	3,115.7	2,569.3	2,087.2	1,569.3	1,111.7	778.7
Fresh pears (mil. lb.)	94.8	128.6	170.5	21.2	232.3	162.3	124.0	91.6	62.5	35.7
Frozen fruit (mil. lb.)	514.0	516.3	607.3	442.6	591.9	558.3	510.7	450.4	388.4	338.4
Frozen fruit juices (mil. lb.)	532.6	853.4	883.0	1,308.0	853.5	970.5	1,164.3	1,281.2	1,293.2	1,352.8

[1] Annual prices are seasonal average ending with year listed. [2] Red Delicious, regular storage, Washington extra fancy, carton tray pack, 80-125's. [3] D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

Cotton:

	Marketing year[1]			1975		1976				
	1972/73	1973/74	1974/75	May	Dec	Jan	Feb	Mar	Apr	May
U.S. price, SLM, 1-1/16 in. (cts./lb.)[2]	35.6	67.1	41.7	41.7	55.1	57.2	57.0	55.5	57.2	62.1
Northern Europe prices:										
Index (cts./lb.)[3]	42.1	76.3	52.5	54.2	58.8	65.4	65.9	66.2	66.5	70.4
U.S., SM 1-1/16 in. (cts./lb.)[4]	43.5	78.3	56.4	56.1	68.6	71.4	71.4	70.3	70.3	75.4
U.S. mill consumption (thou. bales)	7,871.0	7,448.4	5,833.7	474.6	648.4	591.4	579.0	738.3	558.1	–
Exports (thou. bales)	5,311.4	6,123.0	3,925.9	378.8	247.2	223.7	146.1	396.2	313.2	–

[1] Beginning August 1. [2] Average spot market. [3] Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. [4] Memphis territory growths.

Sugar:

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale price, N.Y. ($/cwt.)[1]	10.29	29.50	22.47	19.27	14.80	15.42	15.04	16.27	15.58	15.97
U.S. deliveries (thou. short tons)[1, 2]	11,482	11,237	9,980	852	875	760	774	970	[3]875	[3]872

[1] Raw value. [2] Excludes Hawaii. [3] Preliminary.

Tobacco:

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Prices at auctions:										
Flue-cured (cts./lb.)	88.1	105.0	100.0	–	–	–	–	–	–	–
Burley (cts./lb.)	89.7	111.5	104.9	–	103.9	108.1	107.1	–	–	–
Domestic consumption:[1]										
Cigarettes (bil.)	590	576	[2]588	49.2	42.7	51.9	51.0	58.8	49.6	–
Large cigars (mil.)	6,933	6,306	[2]5,771	514.6	405.0	319.1	404.8	488.7	461.3	–

[1] Taxable removals. [2] Subject to revision.

Vegetables:

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Potatoes, white, f.o.b. East ($/cwt.)	3.79	6.74	4.98	3.44	4.52	6.78	7.74	7.54	8.33	7.17
Iceberg lettuce ($/ctrn.)[1]	3.76	2.82	2.71	2.34	2.88	3.42	2.14	3.77	3.82	2.33
Tomatoes ($/ctrn.)[2]	3.72	5.41	5.62	7.88	6.60	6.29	4.82	8.90	7.81	5.73
Wholesale price index, 10 canned veg. (1967=100)	117	146	169	169	163	158	152	155	158	156
Grower price index, fresh commercial veg. (1967=100)	157	156	181	169	196	190	171	179	178	164

[1] Std. carton 24's, f.o.b. shipping point. [2] 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

GENERAL ECONOMIC DATA

Gross national product and related data

Items	Annual			1974			1975				1976
	1973	1974	1975	II	III	IV	I	II	III	IV	I
	Bil. $ (Quarterly data seasonally adjusted at annual rates)										
Gross national product[1]	1,306.3	1,406.9	1,498.9	1,391.0	1,424.4	1,441.3	1,433.6	1,460.6	1,528.5	1,572.9	1,620.4
Personal consumption expenditures	808.5	885.9	963.8	877.8	907.7	908.4	926.4	950.3	977.4	1,001.0	1,029.6
Durable goods	122.9	121.9	128.1	123.1	128.9	117.3	118.9	123.8	131.8	137.6	145.9
Nondurable goods	334.4	375.7	409.8	371.9	383.9	387.1	394.1	404.8	416.4	423.7	430.8
Clothing and shoes	61.4	65.2	69.9	65.3	66.5	64.8	66.7	69.0	71.3	72.5	73.5
Food and beverages	168.0	189.4	209.1	185.4	193.2	197.4	202.8	206.6	211.4	215.6	219.3
Services	351.3	388.3	426.0	382.8	394.9	404.0	413.4	421.6	429.2	439.7	452.9
Gross private domestic investment	220.5	212.2	182.6	212.7	207.6	210.3	168.7	161.4	194.9	205.4	232.2
Fixed investment	203.0	202.5	197.3	203.4	203.1	199.8	193.5	191.1	197.1	207.4	216.7
Nonresidential	136.5	147.9	148.5	146.6	148.1	151.1	149.3	146.1	146.7	151.9	158.1
Residential	66.5	54.6	48.7	56.9	55.0	48.7	44.2	45.0	50.4	55.4	58.6
Change in business inventories	17.5	9.7	-14.6	9.3	4.4	10.4	-24.8	-29.6	-2.1	-2.0	15.5
Net exports of goods and services	7.4	7.7	21.3	4.0	3.2	8.2	17.3	24.2	22.1	21.7	9.3
Exports	101.5	144.2	147.8	141.6	148.6	153.6	148.2	140.7	148.5	153.8	154.2
Imports	94.2	136.5	126.5	137.6	145.5	145.3	130.9	116.4	126.4	132.1	144.9
Government purchases of goods and services	269.9	301.1	331.2	296.5	305.9	314.4	321.2	324.7	334.1	344.8	349.2
Federal	102.0	111.7	123.2	108.9	113.6	118.2	119.4	119.2	124.2	129.9	131.1
State and local	168.0	189.4	208.0	187.6	192.3	196.3	201.9	205.5	209.9	214.8	218.1
	1972 Bil. $ (Quarterly data seasonally adjusted at annual rates)										
Gross national product	1,233.4	1,210.7	1,186.1	1,217.2	1,210.2	1,186.8	1,158.6	1,168.1	1,201.5	1,216.2	1,241.8
Personal consumption expenditures	766.3	759.8	766.9	763.2	767.2	748.9	752.3	764.1	771.6	779.4	794.5
Durable goods	120.9	112.5	109.5	115.5	116.8	102.9	104.0	106.5	112.3	115.3	120.8
Nondurable goods	309.6	303.0	306.6	303.8	304.7	298.9	300.8	306.9	308.0	310.7	315.7
Clothing and shoes	59.3	59.0	61.2	59.8	59.2	57.1	58.7	60.9	62.1	62.9	63.2
Food and beverages	150.5	147.1	150.2	146.4	149.1	146.4	148.2	150.7	150.2	151.8	155.1
Services	335.8	344.4	350.7	343.9	345.7	347.2	347.5	350.8	351.2	353.3	358.0
Gross private domestic investment	207.4	180.0	138.3	183.8	173.2	166.9	129.7	124.1	147.8	151.4	168.1
Fixed investment	191.4	172.2	148.8	177.0	169.0	159.3	148.7	144.8	148.7	153.0	157.5
Nonresidential	131.3	127.5	112.2	129.9	125.0	120.8	115.2	110.8	110.6	112.3	115.5
Residential	60.1	44.7	36.6	47.1	44.1	38.5	33.6	34.0	38.0	40.7	42.0
Change in business inventories	16.0	7.7	-10.5	6.8	4.2	7.6	-19.0	-20.7	-.8	-1.6	10.7
Net exports of goods and services	7.2	16.6	23.4	15.3	15.1	17.4	21.5	24.9	23.5	23.8	17.4
Exports	87.6	97.6	90.6	99.5	96.9	95.7	90.7	86.8	90.8	94.0	93.8
Imports	80.4	81.0	67.2	81.2	81.9	78.3	69.2	62.0	67.3	70.2	76.4
Government purchases of goods and services	252.5	254.3	257.6	255.0	254.7	253.6	255.1	254.9	258.7	261.6	261.7
Federal	96.1	95.0	94.3	94.7	95.7	94.7	93.7	92.4	94.9	96.1	95.8
State and local	156.3	159.3	163.3	160.2	159.0	158.9	161.4	162.5	163.8	165.5	165.9
New plant and equipment expenditures	99.74	112.40	112.79	111.40	113.99	116.22	114.57	112.46	112.16	111.80	118.70
Implicit price deflator for GNP (1972=100)	105.92	116.20	126.37	114.28	117.70	121.45	123.74	125.04	127.21	129.33	130.49
Disposable income ($bil.)	903.1	983.6	1,076.7	968.2	996.3	1,015.9	1,024.0	1,081.7	1,087.1	1,114.0	1,140.7
Disposable income (1972 $bil.)	856.0	843.5	856.7	841.8	842.0	837.6	831.6	869.8	858.2	867.3	880.3
Per capita disposable income ($)	4,292	4,642	5,040	4,574	4,697	4,779	4,808	5,070	5,083	5,197	5,313
Per capita disposable income (1972 $)	4,068	3,981	4,010	3,976	3,969	3,940	3,905	4,077	4,012	4,047	4,100
U.S. population, tot. incl. military abroad (mil.)	210.4	211.9	213.6	211.7	212.1	212.6	213.0	213.4	213.9	214.3	214.7
Civilian population (mil.)	208.1	209.7	211.4	209.5	209.9	210.4	210.8	211.2	211.7	212.2	212.6

See footnotes at end of next table.

Selected monthly indicators

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
	Monthly data seasonally adjusted except as noted									
Industrial production, total[2] (1967=100)	125.6	124.8	113.8	110.1	118.4	119.5	120.8	121.7	122.3	123.2p
Manufacturing (1967=100)	125.1	124.4	112.2	108.2	117.0	118.1	119.9	120.3	121.1	122.0p
Durable (1967=100)	122.0	120.7	105.8	102.5	108.1	109.0	111.3	111.4	112.9	114.3p
Nondurable (1967=100)	129.7	129.7	121.4	116.2	130.0	131.4	132.3	133.2	132.9	133.2p
Leading economic indicators[1 3] (1967=100)	124.0	110.1	98.6	96.6	103.8	105.0	105.6	106.6	107.8p	—
Employment[4] (Mil. persons)	84.4	85.9	84.8	84.5	85.4	86.2	86.3	86.7	87.4	87.7
Unemployment rate[4] (%)	4.9	5.6	8.5	8.9	8.3	7.8	7.6	7.5	7.5	7.3
Personal income[1] ($bil. annual rate)	1,054.3	1,154.7	1,245.9	1,217.2	1,300.2	1,313.6	1,325.9	1,336.0	1,346.2	1,357.2p
Hourly earnings in manufacturing[4 5] ($)	4.08	4.41	4.81	4.75	5.00	5.02	5.04	5.07	5.07p	5.13p
Money stock (daily average)[2] ($bil.)	[6]270.5	[6]283.1	[6]294.8	287.6	294.8	295.1	296.5	298.0	301.7	303.2p
Time and savings deposits (daily average)[2] ($bil.)	[6]364.4	[6]419.1	[6]452.4	431.2	452.4	454.4	457.3	458.5	461.6	462.0p
Three-month Treasury bill rate[2] (%)	7.041	7.886	5.838	5.315	5.504	4.961	4.852	5.047	4.878	5.185p
Aaa corporate bond yield (Moody's)[5 7] (%)	7.44	8.57	8.83	8.90	8.79	8.60	8.55	8.52	8.40	8.58
Interest rate on new home mortgages[5 8] (%)	7.95	8.92	9.01	8.90	9.01	8.99	8.93	8.93	8.92	8.98p
Housing starts, private (including farm)[1] (thou.)	2,045.3	1,337.7	1,160.4	1,085	1,283	1,236	1,547	1,417	1,381	1,415p
Auto sales at retail, total[1] (mil.)	11.4	8.9	8.6	8.0	9.4	9.6	10.2	10.9	10.3	10.2p
Business sales, total[1] ($bil.)	143.8	164.0	168.0	163.3	177.0	179.0	182.3	185.5	186.8p	—
Business inventories, total[1] ($bil.)	224.4	271.0	264.8	264.3	264.8	266.3	268.0	269.6	270.5p	—

[1]Department of Commerce. [2]Board of Governors of the Federal Reserve System. [3]Composite index of 12 leading indicators. [4]Department of Labor, Bureau of Labor Statistics. [5]Not seasonally adjusted. [6]December of the year listed. [7]Moody's Investors Service. [8]Federal Home Loan Bank Board. p. Preliminary.

TRANSPORTATION DATA

Rail rates and grain shipments

	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index[1]										
All products (1969=100)	129.3	149.7	169.4	165.8	180.9	181.0	181.2	181.2	185.4	187.1
Farm products (1969=100)	125.2	145.3	165.0	159.5	177.4	177.7	178.0	178.0	179.1	183.2
Food products (1969=100)	128.8	148.9	168.6	166.1	179.3	179.3	179.5	179.5	183.2	186.1
Rail carloadings of grain (thou. cars)[2]	32.3	28.2	25.8	15.4	23.4	24.5	25.4	24.6	20.6	21.2
Barge shipments of grain (mil. bu.)[3]	19.0	19.8	23.0	13.2	21.2	25.9	27.8	29.4	29.9	38.1

[1]Department of Labor, Bureau of Labor Statistics. [2]Weekly average; from Association of American Railroads. [3]Weekly average; from Agricultural Marketing Service, USDA.

Prices of principal U.S. agricultural trade products

Items	Annual			1975		1976				
	1973	1974	1975	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities:										
Wheat, f.o.b. Gulf ports ($/bu.)	3.78	4.54	4.16	3.57	3.91	3.93	4.18	4.18	3.99	3.87
Corn, f.o.b. Gulf ports ($/bu.)	2.48	3.36	3.10	2.94	2.81	2.85	2.86	2.91	2.85	3.04
Grain sorghum, f.o.b. Gulf ports ($/bu.)	2.37	3.08	2.95	5.03	2.83	2.83	2.83	2.83	2.90	3.11
Soybeans, f.o.b. Gulf ports ($/bu.)	6.32	6.42	5.72	5.50	4.84	4.91	5.03	4.93	4.95	5.52
Soybean oil, Decatur (cts./lb.)	19.84	35.80	25.39	23.60	16.80	16.17	16.33	16.56	16.32	15.77
Soybean meal, Decatur ($/ton)	238.36	140.85	124.05	118.50	125.10	128.25	132.60	127.90	127.10	152.25
Cotton, 10 market avg. spot (cts./lb.)	54.17	54.88	44.70	41.73	55.12	57.17	56.96	55.47	57.18	62.07
Tobacco, avg. price of auction (cts./lb.)	82.40	94.00	103.50	106.10	100.20	100.50	100.50	100.50	100.70	100.80
Rice, f.o.b. mill, Houston ($/cwt.)	21.80	28.33	21.28	22.25	18.75	18.30	18.00	17.10	17.00	17.00
Inedible tallow, Chicago (cts./lb.)	12.36	15.25	12.04	12.29	12.94	12.97	13.16	13.60	13.00	12.94
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	66.10	69.30	77.27	70.61	n.a.	107.00	109.00	110.00	124.00	142.00
Sugar, N.Y. spot (cts./lb.)	10.29	29.50	22.47	19.27	14.80	15.42	15.04	16.27	15.58	15.25
Cow meat, f.o.b. port of entry (cts./lb.)	91.09	71.77	60.20	62.12	65.54	67.41	71.99	77.43	81.75	80.55
Rubber, N.Y. spot (cts./lb.)	35.50	39.40	30.60	29.50	31.10	33.00	36.00	37.72	38.40	41.00
Cocoa beans, N.Y. spot (cts./lb.)	64.40	98.30	74.90	61.20	74.10	75.80	76.00	75.70	87.60	96.30
Bananas, f.o.b. port of entry ($/40-lb. box)	2.99	3.34	4.41	n.a.	4.48	4.40	4.74	4.92	n.a.	5.07
Canned Danish hams, ex-warehouse N.Y. ($/lb.)	1.49	1.35	1.75	1.63	1.90	1.84	1.78	1.78	1.76	1.70
Quantity Indices										
Export (1967=100)	167	155	156	132	179	182	159	174	180	n.a.
Import (1967=100)	121	115	99	110	128	138	130	156	142	n.a.
Unit Value Indices										
Export (1967=100)	166	223	221	219	206	206	203	203	203	n.a.
Import (1967=100)	153	193	203	220	191	185	191	195	202	n.a.

n.a. not available.

U.S. AGRICULTURAL TRADE

Trade balance

Items	July-April		April	
	1974/75	1975/76	1975	1976
			$ Mil.	
Agricultural exports[1]	18,692	18,474	1,758	1,932
Nonagricultural exports[2]	67,525	72,307	7,259	7,902
Total exports[2]	86,217	90,781	9,017	9,834
Agricultural imports[3]	8,063	8,240	762	896
Nonagricultural imports[4]	78,745	78,585	7,504	9,102
Total imports[4]	86,808	86,825	8,266	9,998
Agricultural trade balance	10,629	10,234	996	1,036
Nonagricultural trade balance	-11,220	-6,278	-245	-1,200
Total trade balance	-591	3,956	751	-164

[1] Domestic exports including Department of Defense shipments, (F.A.S. value). [2] Domestic and foreign exports excluding Department of Defense shipments, (F.A.S. value). [3] Imports for consumption (customs value). [4] General imports, (customs value).

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